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## Furor Over Quayle To Last, Dole Says

By Fred Farris  
International Herald Tribune  
WASHINGTON — A senior Republican predicted Sunday that the controversy over Senator Dan Quayle's military service during the Vietnam War would linger, and Democrats argued that the issue showed that their ticket had more stature than the Republican ticket.  
Mr. Quayle was chosen last week as the Republican Party's vice presidential nominee.  
Debate continued over the reports that the Indiana senator had been in line to be drafted for military service when a friend and employee of his wealthy and influential family helped get him into the Indiana National Guard.  
Senator Bob Dole of Kansas, the Senate Republican leader, who was passed over by Vice President George Bush in the selection of Mr. Quayle, said the controversy was "going to last awhile."  
Mr. Dole, who served in World War II, said the reports of possible undue influence used on behalf of Mr. Quayle to avoid being drafted "would hurt the candidate with working-class Democrats who had jumped their party to vote for President Ronald Reagan."  
"They're out there in my little home town," Mr. Dole said on an NBC News program. "I must tell you in my generation, you knew who was in the guard and who was in uniform fighting for their country."  
"They're very sensitive about it," he said. "They didn't have anyone they could call. They couldn't influence anyone."  
But Mr. Dole said Mr. Quayle would prove to be "a good choice," once the controversy over possible favoritism had been left behind.

## 550 Die As Quake Hits India

Damage Is Heavy In Nepal, Too; Toll May Increase  
By Sanjoy Hazarika  
New York Times Service  
NEW DELHI — An earthquake struck eastern India and Nepal early Sunday, killing more than 550 people.  
The final toll may be higher, officials said. At least 300 people have died in the state of Bihar alone, they said. The Nepalese Home Ministry has confirmed 252 deaths in the Himalayan kingdom.  
H. N. Srivastava, deputy director-general of India's Meteorological Department, said that the earthquake measured 6.5 on the Richter scale and that the epicenter was 42 miles (67 kilometers) north-east of the Indian town of Darbhanga, on the India-Nepal border.  
News agencies reported that at least 5,000 people had been injured in parts of Bihar, which was severely hit. Many victims were reported still buried in the wreckage of their homes.  
Prime Minister Rajiv Gandhi of India announced plans to visit Bihar on Monday to survey the damage.  
Voluntary relief groups including the Red Cross organizations in both nations, the police, army troops and residents have begun digging for the injured.  
Collapsed houses were reported from the northern parts of West Bengal, the state that borders Bihar.  
Landslides blocked roads, isolating towns and villages in the Nepal-India border area, disrupting telecommunications and damaging railroad tracks.  
United Press International quoted residents of Lahan in southeast Nepal as saying that wells had stopped functioning and that the main highway had been damaged.  
Tremors of varying intensity were felt in a 1,000-mile-wide (1,600-kilometer-wide) belt running from India's easternmost tip of Nagaland, across Bangladesh to Delhi in the north and the central city of Jabalpur.  
The devastation was largely confined to four districts in Bihar, India's most impoverished state, and eastern Nepal, including Dharan district where about 150 deaths were reported.  
It was the most severe earthquake in the region since a quake in Assam in 1950 killed about 1,000 people.  
Two weeks ago, a strong tremor shook northeastern India and Bangladesh.  
Information scanty  
V. K. Sharma, a deputy secretary in the Bihar government, predicted the death toll would rise because many people were seriously injured, The Associated Press reported.  
Landslides knocked out communication links on both sides of the border, preventing officials from obtaining information about casualties or damage from the remote, hardest hit areas.  
"The tolls have come in only from urban areas," Mr. Sharma said in a telephone interview from Patna, the capital of Bihar.  
The monsoon rains, which hit the subcontinent in late June and usually continue through September, were also hampering rescue operations. More than 50 villages were flooded after the quake shifted embankments.  
In Nepal, Shailesh Kumar Upadhyaya, a Foreign Ministry official, said that at least 500 people were injured and that thousands of houses had collapsed.



U.S. AMBASSADOR IS MOURNED — Secretary of State George P. Shultz, right, standing with Nancy Rabbel, the wife of the U.S. ambassador to Pakistan, as his body and that of Brigadier General Herbert Wassom were returned Sunday to Andrews Air Force Base, Maryland. They died in the plane crash that killed President Mohammed Zia ul-Haq, who was buried Saturday. Page 6.

## Strike Set In Polish Shipyard

Gdansk Walkout Called Monday at Walesa's Urging  
Compiled by Our Staff From Dispatches  
GDANSK, Poland — Shipyard workers have called a strike beginning Monday at the Lenin shipyard here, a spokesman for the strike organizers said Sunday night.  
The walkout, scheduled to begin at 7 A.M., was called by the shipyard's strike committee on the recommendation of Lech Walesa, the leader of the outlawed Solidarity trade union.  
Mr. Walesa said earlier at a rally of about 3,000 supporters following a mass at St. Brygida's Church that he would propose a strike unless the government opened talks with representatives of striking workers in southwestern coal mines and in the port city of Szczecin.  
A strike at the shipyard, which employs at 10,000 people, will worsen what is already the most serious outbreak of labor unrest since the strikes preceding birth of Solidarity in 1980. It was at the Gdansk shipyard that the labor unrest that led to Solidarity's formation began.  
Workers in other regions are expected to take their cue from the decision at the shipyard, and Mr. Walesa said he would suggest strikes elsewhere.  
Mr. Walesa said he would await the main television evening news program for news of a government offer before taking a final decision. The program ended without any such announcement.  
Mr. Walesa watched it, and then met for an hour with his advisers. The meeting concluded without him making a formal statement.  
But when he was asked whether that meant he was still proposing a strike on Monday, he replied, "Yes, this is my proposal."  
A spokesman in the government press office in Warsaw, Ryszard Struz, had no comment on Mr. Walesa's remarks.  
Mr. Walesa said at the rally that the government had made some "suggestions" to him on ending the strikes.  
But he criticized the "lack of information" of the "completely informal" suggestions, saying that was the reason for his ultimatum to the authorities to "explain themselves more concretely."  
The strike is to be in support of work stoppages at 10 southern mines and in the northwest port of Szczecin by workers demanding the restoration of Solidarity.  
Spokesmen for the strikers said that more than 16,000 coal miners, transport and port workers had stopped work. The official PAP  
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## Dukakis Keeping Clear Of Quayle Controversy

By Andrew Rosenthal  
New York Times Service  
STONEWALL, Texas — By the time Governor Michael S. Dukakis got to the Texas hill country for a courtly stroll with Lady Bird Johnson by the grave of her husband, Lyndon, he had settled into a carefully designed, simple pattern: avoid controversy.  
In visiting seven states in four days, the Democratic presidential candidate managed to keep his campaign in the news during the Republican National Convention.  
To do so, the Massachusetts governor and his aides provided beautiful backdrops for the television cameras, made a proposal or two, like one for a permanently manned space station, and took a few jobs at the Republican Party's newly embraced nominees.  
But when it came to talk of vice presidents, the habitually cautious Mr. Dukakis resolutely stayed out of the imbroglio surrounding Vice President George Bush and his running mate, Senator Dan Quayle of Indiana.  
For five days, he provided virtually the same response each time he was asked about Mr. Bush's choice of Mr. Quayle.  
He did not know enough about Mr. Quayle to have an opinion on his decision to join the national guard during the Vietnam War, said Mr. Dukakis, declining the chance to take a shot at Mr. Quayle while making the point that the Republican vice presidential nominee was relatively unknown.  
Then, to make it even more clear, he added that "no one has ever questioned the qualifications" of his own running mate, Senator Lloyd Bentsen of Texas.  
About the farthest Mr. Dukakis was willing to go in characterizing Mr. Quayle was in response to a reporter who asked whether Mr. Bush's choice indicated that the Republican Party was driven by the right.  
"I think that was a very clear signal that that's where the Republican Party is coming from," said Mr. Dukakis, standing with his wife, Kitty, and Mr. Bentsen and Mrs. Johnson on the tree-shaded lawn of the main house of the LBJ Ranch.  
In other words, every time the question was put to him, Mr. Dukakis adamantly refused to make headlines on the issue, which his aides said was precisely the point.  
"Hang back and let the Republicans deal with it themselves," said one campaign aide in describing the tactics of the week.  
"Why should we get caught up in it?" asked another. "We knew it was all going to happen without us."  
See DUKAKIS, Page 3

## In Prague, 10,000 Protest '68 Invasion

Compiled by Our Staff From Dispatches  
PRAGUE — About 10,000 people marched through Prague shouting "Freedom!" and "Russians go home!" on Sunday, the 20th anniversary of the Warsaw Pact invasion that crushed the changes of 1968.  
Waving red, white and blue Czechoslovak flags, the demonstrators marched from St. Wenceslas Square after an impromptu rally where hundreds signed a petition calling for the withdrawal of Soviet troops, free elections, the abolition of censorship, democracy and human rights.  
After about three and a half hours, the police attacked the crowd with riot sticks, beating scores of people and hauling them away in police vehicles, witnesses said.  
Riot policemen also cleared people from the square where the demonstration had begun.  
Many demonstrators chanted the name of Alexander Dubcek, who as the Czechoslovak Communist Party leader led the drive for the "Prague Spring" changes before Soviet-led Warsaw Pact troops invaded on Aug. 20-21, 1968.  
In Moscow on Sunday, troops and policemen broke up a protest denouncing the intervention even before participants had a chance to unfurl their placards.  
The Prague protest was the largest since 1969. The crowd roared "Freedom! Freedom!" and clapped and chanted as it marched from the square. Thousands of on-lookers joined them.  
Chants of "Dubcek! Dubcek!" "Long live freedom!" "We want freedom!" "We want the truth!"  
"Russians go home!" and "Occupiers go home!" rang out as the protesters marched through central Prague.  
A group calling itself the Independent Peace Initiative held discussions on St. Wenceslas Square and then drew up a 10-point petition. Tomas Dvorak, a member of the group, read it aloud as hundreds applauded each point and cheered especially a call for an end to censorship.  
Mr. Dvorak said the petition would be sent to Czechoslovak state, government and party leaders and the state-run press.  
At one point, a policeman passed through the crowd and grappled with people signing the petition.  
The crowd jeered and shouted "Shame!" Reporters saw policemen spraying tear gas into the face of at least one person.  
Earlier on the square, 200 people walked behind two representatives of the Charter 77 human rights movement, Eva Kanturkova and Tomas Hradilek, who tried to lay flowers by the statue of King Wenceslas.  
Policemen pushed back the two rights campaigners and others who tried to lay flowers in memory of countrymen who were killed in street violence after the 1968 invasion.  
Plainclothesmen gathered up flowers thrown at the monument as  
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Cease-Fire Is Taking Hold in the Gulf  
As the cease-fire between Iraq and Iran began to take hold under United Nations supervision, a group of U.S.-reflagged tankers began moving down the Gulf on Sunday under U.S. Navy escort. Iran and Iraq complained of truce violations, but the UN commander on the scene said "both sides had shown a lot of restraint." Peace talks are scheduled to open in Geneva on Thursday. Page 2.

### Kiosk

#### U.S. Diver Fails Olympic Quest

INDIANAPOLIS (UPI) — Bruce Kimball, a U.S. diver charged with killing two Florida teen-agers and injuring six while driving drunk, failed Sunday in his quest to earn a berth in the Seoul Olympics at the U.S. trials here.  
Kimball's participation here prompted protests. He finished fourth in the competition Sunday.  
(Earlier article, Page 13)

### MONDAY Q&A

**General News**  
Noriega has stepped up harassment of Americans, U.S. officials said. Page 6.  
**Business/Finance**  
The Hunt brothers of Texas were found liable for \$134 million in a 1979-80 silver market deal. Page 7.

## U.K. Weighs Internment After IRA Bomb Kills 8

By Steve Lohr  
New York Times Service  
BELFAST — The British government launched a wide-ranging review of its security arrangements in Northern Ireland on Sunday, a day after eight British soldiers were killed and 28 injured in an Irish Republican Army attack in the province.  
The IRA bomb attack on an army bus near British barracks in Omagh, 55 miles (90 kilometers) west of Belfast, touched off a debate in Britain over whether the government of Prime Minister Margaret Thatcher should move to round up the guerrilla leaders and intern them without trial. The bus was destroyed by a bomb that exploded on the roadside as it passed.  
The assault Saturday also undermined the campaign to target British soldiers in recent months. So far this year the outlawed IRA, which is dedicated to ending British rule in the province, has killed 26 soldiers in Northern Ireland, the British mainland and continental Europe.  
The total compares with just three British soldiers killed by the IRA last year and is the highest figure since 1979, when 38 soldiers were killed, including 18 who died in a single attack in Northern Ireland hours after the IRA killed Lord Mountbatten.  
Gerry Adams, president of Sinn Fein, the political arm of the IRA, recently said that attacks on British soldiers were deemed by the guerrillas to be "vastly preferable" to striking at the other branches of the security forces in Northern Ireland because the British Army is the most visible sign of what the IRA regards as an occupying force in the province.  
The decision to take steps to try to tighten the already stringent security policy in the province was made during a two-hour meeting Saturday night between Mrs. Thatcher and Tom King, the secretary of state for Northern Ireland.  
A British military official said only that the review would examine measures for increasing the safety of British troops and efforts to apprehend the IRA killers.  
"We will be looking at both offensive and defensive security policy," he said.  
Mr. King said that the possibility of reintroducing internment, a policy used in Northern Ireland from 1971 to 1975, was "under review."  
Some politicians, led by pro-British Protestant representatives in the province, are now urging a selective return to internment of suspected terrorists.  
"Internment is like a surgeon's knife—it must be used when necessary and used delicately," said Ken Maginnis, an Official Unionist member of parliament from Northern Ireland and his party's spokesman on security matters.  
The Sunday Times said in an editorial that "if the introduction of selective detention, preferably by London and Dublin, is deemed right on security grounds, political considerations should not stand in its way."  
But during the 1971-75 period, internment policy was judged to be a failure. Internment was installed in 1971 in response to violence that followed the killing of two Catholic youths in Londonderry by the British Army. Neither of the youths was an IRA member.  
When the British government adopted its internment policy, the IRA ordered a stepped-up bombing campaign, and violence in Northern Ireland surged. The British government was widely criticized internationally for violating the civil rights of internees. Even moderate Catholics who oppose the IRA joined in demonstrations and in campaigns to withhold tax and rent payments to protest the internment policy.  
On Sunday, one politician who cautioned against a return to internment was Edward Heath, the Conservative elder statesman who, as prime minister in 1971, was responsible for approving internment.  
"I would urge the government

## After 20 Years, Ideals Of Prague Bloom Anew

By Michael Dobbs  
Washington Post Service  
PRAGUE — Strolling around this beautiful but melancholy city 20 years after the Soviet invasion, a visitor is struck by an inescapable irony: invaders and invaded have swapped political roles.  
When Soviet tanks rumbled through the streets of Prague on the night of Aug. 20-21, 1968, the cause of change in Eastern Europe was set back for a generation. Two decades later, the economic forces and political ideas that gave birth to the "Prague Spring" are bubbling to the surface again—not in Prague, but in Moscow.  
The people who came to crush Alexander Dubcek's eight-month experiment in "socialism with a human face" have now embarked on changes of their own. The people whose hopes were dashed on that dramatic August night have become resigned.  
The invasion of Czechoslovakia was a watershed for the Soviet bloc, leading to what the Soviet leader, Mikhail S. Gorbachev, refers to caustically as "the era of stagnation." A four-week journey through Eastern Europe two decades after the invasion suggests that another important threshold now looms as a new generation of leaders grapples with the poisoned legacy of its predecessors.  
Signs of economic failure abound. In Warsaw, lines snake around buildings for basic consumer goods, and black marketers offer to buy dollars from tourists at four times the official rate. In Prague, the crumbling facades of baroque palaces are sooty from air pollution. In Budapest, economists worry about paying off one of the highest per-capita debts in Europe.  
Economic strains have undermined the unspoken social contract that kept Eastern Europe politically quiescent through the 1970s. After the invasion of Czechoslovakia, Communist regimes sought to im-

### '1968 was not exceptional. It was only exceptional in the way it ended.'

Miroslav Pavel, the Czechoslovak government spokesman  
martial law was imposed in December 1981, said: "For the first time, something is happening at the altar. Before, it was just at the back of the church."  
Mr. Paszynski is typical of a generation of East Europeans who have witnessed the blossoming and withering of successive movements for change.  
Today, at the age of 60, Mr. Paszynski, the former deputy editor of the Polish weekly Polityka, can be forgiven for listening somewhat skeptically to General Wojciech Jaruzelski's calls for a radical "restructuring" of Poland's economy. The only solution now, many say, is to accept that the Commu-  
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# British Aerospace Chairman Cites Europe's New Strategy

Roland Smith, chairman of British Aerospace PLC, argues that European firms are poised to take an increasing share of the multibillion-dollar arms and aerospace market from U.S. conglomerates. BAE, which produces fighter aircraft, civilian jets, missiles and satellites, recently acquired Rover Group PLC, the leading British auto-maker. Mr. Smith spoke on topics likely to be discussed at the Farnborough Air Show, which opens Sept. 4 near London, with Warren Geller of the International Herald Tribune.

Q. Britain, and indirectly, British Aerospace, won a record order for military equipment last month in a deal with Saudi Arabia estimated at \$25 billion to \$30 billion. Why do you think Riyadh chose British and European-built Tornado fighters and other equipment over American competition?

A. I'm bound to believe that the equipment is superior. The avionics on the Tornado is pretty successful and advanced relative to competition. The equipment is well tried in Saudi climatic and technical conditions.

Q. American competitors say their hands are tied by the U.S. Congress's sensitivities toward Israel when it comes to landing orders in the Middle East. Has the British government played a major role in promoting arms exports to countries in that region?

A. There's always been, of course, a very solid British presence in the Middle East. But in the end, relationships are one thing — you've got to have products and services to fulfill that relationship. Clearly the British government is quite supportive and helpful.

Q. With the prospective resolution of the Iran-Iraq war, will the market for arms worldwide plateau or will demand continue to rise?

A. I think that we're tending to take a bigger role in the Middle East in terms of market share and quantity. That is simply building on success that we've already got there. The French are taking less and we're taking more in that region. The Americans are clearly dominating South America. The area where I think we're likely to take more market share is the Pacific basin. The British government

is in negotiations with a country in Southeast Asia, but they've yet to sign the actual deal itself.

Q. Do you expect that the European Airbus consortium, of which BAE is a member, will decide at the Farnborough Air Show to cooperate with McDonnell Douglas Corp. on a new long-range civilian jet that will compete against market leader Boeing Co.?

A. I would be doubtful about that. We shall wait and see. It just depends on how much champagne is flowing. Airbus has focused on a very successful strategy — both in marketing terms and product range — and it ought not to be deflected into any sort of dilution of that strategy. If we were to go along with McDonnell Douglas, I think there would be an element of dilution. That's why I don't really think — despite all the maneuvers — that such cooperation will ever happen.

Q. You've said before that management of Airbus is in need of a major shake-up

and that its accounting procedures also require an overhaul. Is that being done?

A. We've been making some progress and there's a meeting fairly soon. Each time that the partners meet, more changes are taking place and there's more control in managerial terms, not just financial, but also production and quality and so on, which is what you'd expect for a very large business like this. At this upcoming meeting, the question of moves and personnel changes will be discussed.

Q. Airbus has racked up huge losses since its inception. Will British Aerospace ever withdraw from the consortium, which includes West German, French and Spanish firms?

A. No, I don't think that would be the case. There is no likelihood of British Aerospace withdrawing. What we have to do is stick in there and make it more efficient, and we've got to live with it and make it more profitable, or get into profit. I think Airbus can be in profit by the middle 1990s.

## WORLD BRIEFS

### 22 Killed in India's Sri Lanka Sweep

COLOMBO (AFP) — At least 22 persons have died in northern Sri Lanka during a major search operation by Indian troops for Tamil separatists, officials said here Sunday as the search entered its sixth day. Thousands of heavily-armed Indian troops backed by helicopter gunships destroyed a dozen Tamil rebel bunkers in the thickly wooded Wanni jungles, the officials said. Velupillai Prabhakaran, leader of the dominant Tamil separatist group, the Liberation Tigers of Tamil Eelam, is believed to be hiding in the area, an Indian source said. The Indian High Commission, or embassy, confirmed here Sunday that the search operation was continuing and said that the worst fighting was on Thursday when 11 guerrillas were killed and nine were seriously wounded. An Indian Army officer and seven soldiers are missing after the battle, a spokesman said. According to an official count, 16 separatists, two Indian soldiers, a Sri Lankan Army officer and three civilians have died since the operation began Monday.

### Yugoslavs Demonstrate Over Kosovo

TITOGRAD, Yugoslavia (Reuters) — More than 20,000 Serbs and Montenegrins demonstrated over the weekend against what they said was persecution by ethnic Albanians in Kosovo. The protest Saturday in the main square of Titograd, capital of the republic of Montenegro, was the first protest of its kind outside Serbia. A speaker told the crowd that Kosovo's non-Albanian population had been annihilated. "This is a question of persecution and genocide," he said. The crowd responded by shouting: "We want arms! We want arms!" Kosovo, an autonomous province of Yugoslavia's biggest republic, Serbia, has a population of 1.7 million ethnic Albanians and about 200,000 Serbs and Montenegrins. More than 30,000 Serbs and Montenegrins have fled Kosovo since Albanian nationalist riots in 1981.

### Moscow to Increase Consumer Goods

MOSCOW (Reuters) — The Soviet government has unveiled an emergency plan to improve production of consumer goods, acknowledging that continued shortages had generated serious popular discontent. The government is ordering sharply increased output of items ranging from raincoats and women's hosiery to cars, freezers, refrigerators, televisions and video recorders. The plan, published in all major newspapers on Sunday, came after the acknowledgement by a Soviet economist last week that the standard of living in the Soviet Union could rank as low as 60th in the world. In an official resolution, the government said the Kremlin's persistence in restructuring, drive had failed to eliminate shortages of items as basic as clothing and shoes or to improve the quality of goods on the market. "This has a negative impact on people's attitudes toward present-day conditions and their trust in the reality of the planned transformations," the resolution said, warning that the situation was creating "serious dissatisfaction among the people."

### U.S. Veterans' Agency Is Under Fire

WASHINGTON (AP) — Veterans Administration managers have frequently made wrong decisions on veterans' disability claims in haste to make themselves look good and win pay bonuses for meeting production quotas, House investigators said Sunday. The House Government Operations Committee cited testimony by former officials of the agency that some disability cases had been processed in only eight minutes to meet the quotas. It said the agency had tried to cover up its mistakes by deliberately under-reporting the error rate to committee investigators. The agency pays out \$11 billion in disability benefits annually to 3.5 million veterans, widows and children. Although some veterans were improperly denied benefits under the agency's error-plagued system, others may have received money to which they were not entitled, according to committee staff members.

### Cambodia Lists Changes in Cabinet

BANGKOK (Reuters) — Cambodia has announced a cabinet shake-up involving 11 posts and a decision to abolish the office of the minister responsible for economic and cultural ties with Communist nations. Phnom Penh radio, monitored in Bangkok, said the changes were made Saturday during a meeting of the Council of State led by President Henk Samrin. In one of the major shifts, the radio report said the former minister of communications, transport and posts, Tea Banh, was named as deputy premier and defense minister, replacing Koy Buntha, who moved to a less-important job as minister for social action and war invalids. The radio also said the council dissolved the office of minister of economic and cultural cooperation with foreign countries, which included Vietnam, Laos, the Soviet Union and other Communist nations.

### Carter Meets PLO Official in Cairo

CAIRO (AP) — Former President Jimmy Carter met with a senior official of the Palestine Liberation Organization in Cairo last week, an Egyptian Foreign Ministry official and a PLO member said. The two, speaking Saturday, said the former U.S. president met for two hours Friday night with Hani al-Hassan, a political adviser to Yasser Arafat, the PLO chairman. Mr. Carter left Cairo Saturday for London, where he spent the night before leaving for the United States. The Cairo sources said Mr. Carter and Mr. Hassan had an "extensive review" of Palestinian issues, but they gave no details. They said the talks were at a presidential guest house where Mr. Carter stayed.

## TRAVEL UPDATE

Visitors to China will soon be able to visit a satellite launching center in Xichang in Sichuan Province. As a means of obtaining more foreign currency, China is opening more areas to tourists. In Liangshan, also in southwest China, tourists can already visit a launching pad, also a Long March 3 carrier rocket, the Xinhua press agency said. (APF)

A Turkish Airlines flight to New York on Sunday was the first commercial flight to the United States by Turkey's national airline. Regular flights from Istanbul to New York, via Brussels, will depart on Fridays and Saturdays, officials said. (AP)

Air-traffic controllers in Barcelona voted Saturday to call off planned strikes that would have stranded thousands of travelers. A union leader said the strikes were called off after two-thirds of the controllers backed an agreement negotiated between union leaders and the government on Saturday. The controllers had threatened to call strikes Aug. 27, Aug. 30 and Sept. 3 over pay and working conditions. (Reuters)

### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bahrain, Lebanon.

TUESDAY: Bahrain, Iraq, Romania.

WEDNESDAY: India, Liberia, Romania.

THURSDAY: Jordan, Paraguay, Uruguay.

FRIDAY: India, Sri Lanka.

SATURDAY: Hong Kong.

SUNDAY: Philippines.

Source: Morgan Guaranty Trust Co., Reuters.

### Correction

Because of an editing error, the president of Burma was incorrectly identified in the Aug. 20-21 editions. He is U Maung Maung.

# UN Officials Report Cease-Fire in Gulf Is Holding Up Well

By Alan Cowell  
New York Times Service

CAIRO — Iran and Iraq traded accusations of cease-fire violations Monday, but United Nations officials supervising the second day of their truce said it was holding.

At the same time, Baghdad and Tehran remained locked in a dispute over shipping rights in the Gulf, where Iran said it intercepted an Iraqi merchant vessel to search for war supplies.

UN officials, meanwhile, withheld formal confirmation of reports by shipping executives in the Gulf that two vessels flying the UN flag were patrolling the waterway.

The shipping executives' reports were the first to mention a UN naval presence in the region. The United Nations already has a 350-man force from 24 nations monitoring the cease-fire along the 740-mile (1,200-kilometer) land border between Iran and Iraq.

The cease-fire went into effect at 7 A.M. Saturday, signaling a halt to eight years of hostilities that are estimated to have cost one million lives and consumed more than \$200 billion.

"The cease-fire is operational," Major General Slavko Jovic, the Yugoslav commander of the UN monitoring force, said in Baghdad. He said he had "no information about violations, and everything is going very fine."

The Yugoslav officer was responding to charges by both sides that the cease-fire had been broken. Iran accused Iraqi soldiers of firing a volley of "small-caliber bullets" in the presence of UN observers along the cease-fire line.

The official Iraqi press agency, meanwhile, said an Iranian sniper had shot and killed an Iraqi private along the central part of the cease-fire line. The incident was said to have occurred just three hours after the UN-sponsored cease-fire went into force.

Each side denied the other's accusations.

The cease-fire is part of a UN



The wreckage from a car bomb that exploded Sunday near a Syrian checkpoint in West Beirut, wounding at least 14 people.

# Israelis Arrest 4 Arabs in Haifa Attack

Compiled by Our Staff From Dispatches

JERUSALEM — The Israeli police said Sunday that they had arrested four Palestinians in connection with a grenade explosion that wounded 25 people in a crowded shopping center in Haifa.

Yaacov Haviv, the Haifa police chief, said the police were convinced that the attack on Saturday was the work of Palestinian nationalists. Three of the four detained suspects were seen fleeing the scene.

Officials at two Haifa hospitals said 10 people were still being treated, most of them for light wounds. An 8-year-old boy who had one leg amputated below the knee and his 20-month-old brother were in serious condition, doctors said.

The blast occurred outside a toy store, blowing out the store's window and spraying shrapnel into a nearby coffee shop.

In the occupied territories, Israeli soldiers shot and killed two Arab protesters on Sunday as Palestinians staged a strike to mark the 19th anniversary of an attempt to burn down Al Aqsa Mosque in Jerusalem.

The victims were identified as a 17-year-old boy from the village of Tubas in the West Bank and an 18-year-old youth in the Bureij refugee district in the Gaza Strip.

In Jerusalem, the police said three people were slightly injured by glass in a gasoline-bomb attack on an Israeli bus. The bomb shattered a window but did not ignite, they said.

In Amman, Jordan, on Saturday, Prime Minister Zaid al-Rifai announced new passport controls for Palestinians in the West Bank and the Gaza Strip, saying they could

obtain temporary Jordanian passports valid for only two years.

Mr. Rifai's statement, broadcast by Amman radio, said Palestinians who were living in the West Bank as of July 31 were now considered "Palestinians and not Jordanian citizens."

The order was part of a package of 22 measures decreed Saturday to put into effect King Hussein's decision on July 31 to sever financial and administrative ties with the West Bank of the Jordan River for the first time in nearly 40 years.

Most of the Palestinians in the West Bank have been holding Jordanian passports valid for five years, and residents of the Gaza Strip have held three-year passports.

Car Bomb in Beirut  
A car rigged with explosives and hand grenades blew up near a Syrian

checkpoint in Moslem West Beirut on Sunday, wounding at least 14 people, Reuters reported from Beirut.

The police said a Syrian soldier was among those wounded in the blast, which was apparently an attack on Syria's 25,000-strong military force in Lebanon.

The attack occurred as Syria renewed efforts with Lebanese officials and the United States to ensure a smooth presidential election in Lebanon.

Parliament failed to achieve a quorum in its first attempt to elect a president on Thursday when the Syrian-backed former president, Suleiman Franjeh, who is opposed by the hard-line Christian Lebanese Forces militia, appeared to be the only candidate capable of winning.

# Burmese Protesters Call for Strike To Demand End to One-Party Rule

Compiled by Our Staff From Dispatches

BANGKOK — Up to 2,000 demonstrators rallied in Rangoon on Sunday to support a planned nationwide strike Monday demanding an end to one-party rule, an Asian diplomat in the Burmese capital said.

The general strike was called by student leaders to challenge U Maung Maung, who became president and head of Burma's ruling party Friday. He replaced U Sein Lwin, who was appointed president July 27 and was forced from office Aug. 12 after violent demonstrations in which hundreds of people

were estimated to have been shot to death by the military.

U Maung Maung, a Western-educated lawyer, is Burma's first civilian leader since a 1962 military coup, but student leaders were not satisfied with his choice.

The Asian diplomat told The Associated Press that many middle-class Burmese and intellectuals favored compromising with the government of U Maung Maung, who is seen as a relative moderate and more widely acceptable than the military officers who dominate the top government and party ranks. U Maung Maung, 66, was attorney general before taking power.

But many workers do not accept the new government, partly because U Maung Maung is little known to them, the diplomat said.

The diplomat said the government was unlikely to bow to demands for multiparty rule after a quarter-century of tight control by the Burma Socialist Program Party. The founder of the party, General Ne Win, led the 1962 coup that toppled the elected government.

Meanwhile, the Burmese state radio said that the authorities had released 100 more people arrested in the anti-government demonstrations from Aug. 8 to Aug. 12, bringing the total freed since Tuesday to 418.

The authorities have not said how many were arrested nationwide, but Rangoon diplomats have said that the number runs into the thousands. (AP, AFP)

Corruption Is Conceded  
Earlier, Seth Mydans of The New York Times reported from Bangkok:

The Burmese government has sought to buy time from its restive population with the publication of extensive self-criticism and a plea for time to explore economic and political restructuring.

Part of the description was an official acknowledgment that the government had been unresponsive and corrupt.

Newspapers carried reports of speeches Friday by U Maung Maung and the vice president, U Aye Ko, appealing for calm and urging officials to abandon widespread corruption and to be more responsive to public needs.

The speeches made it clear, however, that the government hoped to address the grievances of demonstrators within the current one-party system.

"Our request to you is to give us a suitable amount of time so that we can work harmoniously and in peace and tranquility," U Maung Maung was quoted as having said.

# ETA Blamed As 2 Die in Spain Blast

ESTELLA, Spain — A bomb thought to have been planted by Basque separatists killed two civil guards on Sunday, a civil guard spokesman said. It was the third bomb attack in three days after a truce offer.

The guards were driving through the town of Estella near the Basque country in the northeast of the country when a car bomb exploded Sunday. A woman and her 2-month-old son were wounded.

On Friday, five civil guards and two passers-by were wounded in two separate bomb attacks that a civil guard spokesman said were also the work of ETA, the Basque separatist organization.

Those attacks came a day after the group repeated a seven-month-old offer of a truce and talks to end its 20-year fight for an independent Basque state. "Whatever they may say," an Interior Ministry spokesman said, "it does not seem like they have much desire to end their violence or start peace talks."

The government has not replied to the truce offer, but Justice Minister Enrique Mugica repeated on Saturday that the government would not consider talks until the separatists halted their attacks and freed Emiliano Revilla, an industrial kidnaped six months ago.

### Mammoth's Leg Unearthed

MOSCOW — A 33,000-year-old leg of a mammoth — an extinct Pleistocene elephant — complete with hair and toenails has been dug up near the city of Magadan in the Soviet Far East, the daily Izvestia said Sunday.

## Sabotage Charges Dropped in Egypt

CAIRO — Fifteen Egyptians charged with involvement in a Libyan-backed sabotage campaign in Egypt escaped the death penalty on Sunday when a Cairo court ruled that there was insufficient evidence to convict them.

The prosecution did not seek the death penalty for a 16th member of the group accused of lesser offenses. One of the 15 who escaped the death penalty was sentenced to five years of hard labor for planting a bomb at a branch of a U.S. Egyptian bank in Cairo in 1986. The explosion caused slight damage and no casualties.

Judge Fouad Saad al-Fayoumi said all other charges had been dropped because of conflicting statements made by a prime witness and insufficient evidence. The 15 defendants had been accused of planting bombs, which did not go off, outside the Cairo offices of Western companies and of forming an illegal paramilitary group that trained in Libya and accepted money from Libyan agents.

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**Pentagon High-Tech For U.S. a**

By Molly Moore

WASHINGTON — The Pentagon is set to spend \$1.5 billion on high-tech weapons, including a new long-range missile and a new missile defense system, officials said Sunday. The Pentagon is also planning to spend \$1.5 billion on a new missile defense system, officials said Sunday.

The strategic missile defense system is a long-range missile that can intercept and destroy incoming ballistic missiles. The system is being developed by the Strategic Defense Initiative (SDI) program.

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**Plot Alleg**

By Patrick E. ...

CAIRO — An alleged operation by Egyptian agents to assassinate U.S. ambassador to Cairo was foiled in three arrests in Cairo, officials said Sunday.

The plot was allegedly planned by Egyptian agents to assassinate U.S. ambassador to Cairo, officials said Sunday.

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# Pentagon Studying High-Tech Buildup For U.S. and NATO

By Molly Moore  
Washington Post Service

WASHINGTON — While the Soviet Union was showing Defense Secretary Frank C. Carlucci its newest bombers, ships and tanks outside Moscow early in August, a Washington Department team in full-scale computerized war game, defending against a simulated Soviet attack on Western Europe.

It was a \$500,000 test of a year-long Pentagon effort to find new ways to deal with the Soviet military threat. And it was carried out at a time when the Kremlin was debating the future role and composition of its armed forces, according to senior Defense Department officials.

Hunched over computers and long pages of numbers, about 70 U.S. experts on weapons and strategy pitted B-2 Stealth bombers, cruise missiles and Tomahawk cruise missiles against the best of the Soviet Union's weapons and tactics.

The strategists added "smart" weapons with greater accuracy, more long-range missiles, remotely piloted aircraft and improved communications systems to the arsenal of the North Atlantic Treaty Organization.

When the six-day simulated battle was over, Pentagon specialists declared that the "Blue Team," representing the United States and its NATO allies, had defeated the "Red Team," representing the Soviet Union and its East European allies of the Warsaw Pact, according to a Pentagon official familiar with the secret operation.

The results of the paper war will be incorporated in a report to be given to Mr. Carlucci later in August, recommending changes in weapons and strategy for the United States and NATO.

These are among several key high-technology weapons programs that the Pentagon proposal recommends the United States and its NATO allies concentrate on developing and improving to take advantage of Soviet vulnerabilities:

• Stealth technologies for bombers, fighter planes and cruise missiles, which help the aircraft and missiles evade radar detection longer than traditional aircraft and missiles.

• Drone aircraft for reconnaissance missions and platforms for weapons, to reduce loss of life on combat missions.

• Sophisticated radars and sensors like the Joint Surveillance and Target Attack Radar System, which is designed to detect enemy armor movements beyond the battlefield and assist ground and air forces in attacking tanks before they reach the front lines.

The plan also puts heavy emphasis on strengthening NATO's communications and intelligence-gathering systems and on making wider use of some low-technology weaponry, like mines.

Senior Pentagon officials said the report would be intended to help Mr. Carlucci and Pentagon planners reshape high-technology research and weapons-buying programs in the next military budget. The officials said they hoped the proposals would also be used as a blueprint for the next 5 to 15 years, regardless of which political party controlled the White House.

The proposals conform with recommendations of a senior advisory commission's January report to President Ronald Reagan that future U.S. arms procurement should concentrate on a greater assortment of precision conventional weapons rather than more nuclear weapons.

The proposals have been endorsed in general by the Joint Chiefs of Staff, but even if accepted by Mr. Carlucci, they face a battery of political and military debates.

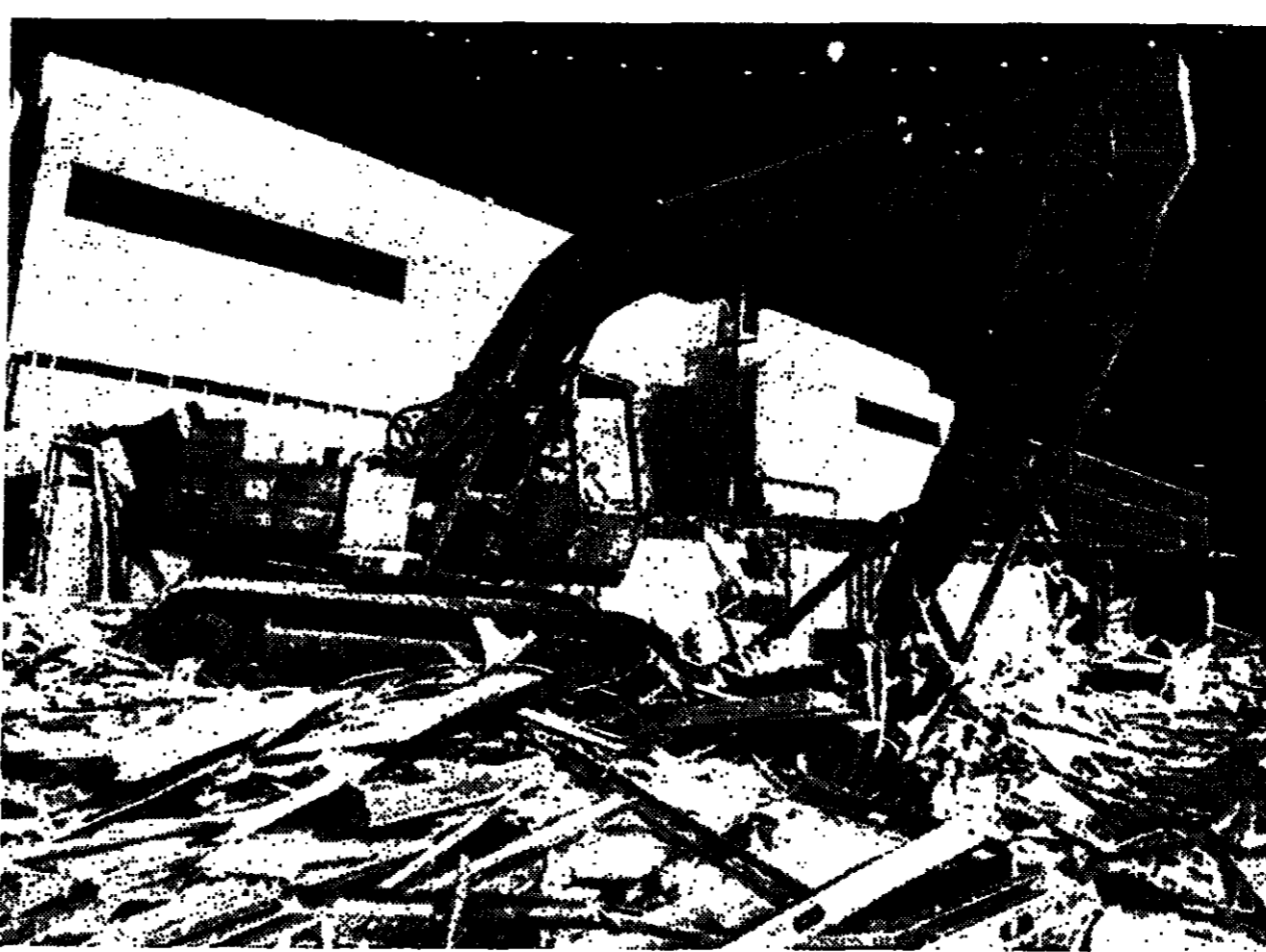
Some of the proposals are likely to encounter opposition from individual services. The air force, for example, has resisted attempts to increase the use of unmanned aircraft, a trend that could mean fewer pilots in a service dedicated to flying.

In addition, many high-technology programs supported by the plan are among the most controversial, costly and troubled in the military, like the Stealth and drone aircraft.

Some congressional officials argue that the study's recommendations of exploiting the adversary's weakness are self-evident, and they question why the Pentagon spent the time and money for the study in the first place.

The study was defended by Dennis Kloake, deputy assistant secretary of defense for planning and resources, who is the program's chief architect.

It is valuable, he argued, because it "goes against the traditional norm of pitting strength against strength."



THE FINAL GAVEL — The podium used during the Republican National Convention last week being demolished in New Orleans.

# Reagan Praises Quayle Amid Worry About the Senator's Rocky Start

By Steven V. Roberts  
New York Times Service

SANTA BARBARA, California — After staying out of the political spotlight at his California ranch most of last week, President Ronald Reagan praised the "energy and enthusiasm" of Senator Dan Quayle of Indiana, the Republican nominee for vice president.

But Mr. Reagan's endorsement, delivered Saturday in his weekly radio address, could not mask an undercurrent of uneasiness at the White House over the troubled start of Mr. Quayle's campaign.

A White House official, referring to questions about Mr. Quayle's military service, said: "I don't think Dan has handled it very well. Nobody should get in an argument with the TV networks."

"He's nervous," the aide said of Mr. Quayle, 41, who is getting his first taste of national exposure. "He's been thrust into a tough situation."

In his address, Mr. Reagan made no mention of suggestions that Mr. Quayle had used influence to get into the national guard and avoid possible combat duty during the Vietnam War.

"Dan shares with George Bush and me a vision of an America and a world no longer threatened by the specter of nuclear attack," Mr. Reagan said. "That's why Dan has labored with conviction for the Strategic Defense Initiative."

Although citing the senator's support for the "star wars" program to develop a space-based missile defense, the president made no mention of Mr. Quayle's strong criticism of the treaty that Mr. Reagan signed with Mikhail S. Gorbachev, the Soviet leader, in December banning intermediate-range nuclear weapons.

Mr. Quayle eventually voted for the treaty when the Senate approved it.

Republicans want the issue of U.S. military strength to play a

primary role in the fall campaign, and White House aides say that Mr. Quayle strongly urged the president several weeks ago to veto a military spending bill as a way to highlight the issue.

Mr. Quayle, a member of the Armed Services Committee, was among a group of Republicans who debated the issue in front of the president at a heated White House meeting. A few days later, the bill, which included a cutback for the Strategic Defense Initiative and several other reductions that Mr. Reagan objected to, was vetoed.

White House aides said the speech praising Mr. Quayle, which was drafted early last week, was not altered after the questions about his military record were raised during the Republican convention in New Orleans.

The aides have been in close consultation with the Bush campaign, and the speech apparently reflected a joint decision to stand behind Mr. Quayle and try to ride out the controversy.

# DUKAKIS: A Low Profile

(Continued from Page 1)

and there was no benefit we could see from jumping into the fray."

Mr. Bentsen, meanwhile, was pursuing the same cautious strategy as he visited 16 cities in Texas over nine days.

While the Republicans were meeting in New Orleans, Mr. Dukakis zig-zagged from Boston to Minnesota, Florida, Alabama, Missouri, Illinois, Arkansas and Texas.

In Birmingham, he made his strongest appeal yet to the black voters who have been slow to come to his campaign. In Minnesota, he addressed his message to blue-collar workers whose plants have closed or are in danger of shutting.

And on a train ride through Missouri and Arkansas, he sent a message of conservative fiscal management to the right-wing Democrats who defected in droves in 1980 and 1984.

# Koreans Set More Talks At Frontier

New York Times Service

PANMUNJOM, Korea — North and South Korea again failed to progress in their second day of talks on Saturday at this border village, but both sides said they would meet again on Monday to discuss terms for a joint parliamentary meeting.

South Korea proposed a special meeting to discuss the North's role in the Seoul Olympics in September, but the North appeared set against taking part and held out instead for a larger meeting on a range of topics.

In the two-and-a-half-hour meeting, both sides did little more than repeat the arguments of their first meeting. It appeared that neither side was ready to make concessions or to be the first to break off the talks.

The 10 legislators, five from each side, are meeting to work out the agenda for a joint parliamentary meeting.

Both sides hope to hold the session in the North Korean capital, Pyongyang, later in August.

South Korean delegates pushed for the North to take part in the Summer Olympics, in part because Seoul believes that a wider role for the North would lessen the threat of terrorism at the Games. But the North Korean legislators called for the adoption of a declaration of non-aggression that would include the phased withdrawal of U.S. troops from South Korea.

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# Plot Allegation Clouds U.S.-Egypt Ties

By Patrick E. Tyler  
Washington Post Service

CAIRO — An alleged operation by Egyptian agents in the United States to acquire advanced U.S. missile technology illegally for shipment to Cairo, which resulted in three arrests in June, may be linked to the Egyptian defense minister, Field Marshal Abdel-Hamid Abu Ghazala, according to a U.S. official.

The linking of Marshal Abu Ghazala to the operation is said to be based on interpretation of intercepted telephone conversations in which references to "the minister" were used by other Egyptian military officers involved in the alleged plot as a way to expedite shipment.

The alleged plot, which has complicated U.S.-Egyptian relations, apparently was born in the months immediately before an official visit to Washington by the defense minister in March.

During the visit, Marshal Abu Ghazala, a supporter of strong ties with the United States, signed a 10-year "memorandum of understanding" with Defense Secretary Frank C. Carlucci giving Egypt — like Israel, Australia and Sweden — special status as a strategic ally outside of the North Atlantic Treaty Organization.

An official familiar with the current criminal investigation into the matter said that State Department officials regarded the case as so sensitive that they persuaded Justice Department to delete all references to Marshal Abu Ghazala and his office from a 36-page investigative summary filed publicly in U.S. District Court in Sacramento, California.

According to an official close to the case, State Department officials took the position that unless the Justice Department had evidence strong enough to hold up in court and was prepared to indict Marshal Abu Ghazala, U.S.-Egyptian relations should be spared the embarrassment of public references in court documents to the authority of "the minister."

A State Department official declined to comment.

The Justice Department spokesman, Patrick S. Korten, declined to comment specifically on the case, but he said, "Any time the department undertakes a case that has diplomatic or international aspects to it, we consult with the State Department."

But he added, "The final decisions on what to include in any indictment or how to proceed with an investigation or prosecution are entirely our decisions and are made based on the law and Justice Department guidelines for federal prosecutions."

Asked to comment, a spokesman for the Egyptian Defense Ministry pointed out that legal documents in both Egypt and the United States

"have not made the slightest mention" of any involvement by the defense minister.

The spokesman defended Egyptian officers involved, saying their actions amounted to "nothing more than a procedural mistake of neglecting to obtain an export license for a material that can be purchased on the open market in the United States, and which is used in nonmilitary fields besides the military domain."

Two Egyptian military officers, one of them attached to the Egyptian Embassy in Washington, were

Among the sensitive material the agents allegedly tried to spirit out of the country on Egyptian military cargo planes was 432 pounds (196 kilograms) of "carbon-carbon" fiber matting, which can be used as a protective coating for missile warheads and rocket motor nozzles and as a radar-absorbing outer layer for "stealth" aircraft. Such planes are shielded to make them difficult to detect electronically.

U.S. Defense Department analysts, who are assisting federal prosecutors in the case, have said that it appeared that Mr. Helmy

record in the case, gave the following account:

On June 1, Mr. Helmy telephoned Rear Admiral Abdel-Rahim Elgohary and discovered that the admiral, a senior procurement official in the Egyptian military office in Washington, was reluctant to ship rocket-fuel compounds. Mr. Helmy prodded the admiral by reminding him that when he, the minister, was in Washington, there were discussions about "things that are controlled and cannot be exported."

Mr. Helmy referred to the then-pending shipment of rocket-fuel compounds and said, "Both items were banned from being exported and we acquired them through our own ways or channels and you know that very well."

The admiral complained, "I didn't expect to receive material that weighed six or seven tons from you."

And Mr. Helmy responded, "I understand that, he, the minister, wants the cargo shipped no matter what, that is what we were told."

Mr. Helmy told the admiral to arrange for the shipment on the airplane that "usually leaves for Cairo."

Two days later, U.S. officials intercepted a telephone call from Colonel Yossef to Mr. Helmy.

"I told him, 'I'm calling you from the ministry in order to deliver you a message from our father,' Colonel Yossef reportedly said. Investigators believe the reference to "our father" is to Marshal Abu Ghazala.

Colonel Yossef reported that Admiral Elgohary now understood that the rocket-fuel shipments were to have the highest priority on the regular C-130 flights made by the Egyptian Air Force from Baltimore-Washington International Airport to Cairo.

# State Department officials reportedly regarded the case as so sensitive that they persuaded the Justice Department to delete all references to Marshal Abu Ghazala from an investigative summary.

named in a criminal complaint filed June 23 in U.S. District Court in Sacramento. The complaint alleged that they conspired with an Egyptian-born U.S. rocket scientist, Abdelkader Helmy, and other Egyptian agents to violate U.S. export-control laws. Mr. Helmy, his wife, Albia Eltaye Helmy, and James Huffman, an aerospace company employee, were arrested.

The operation was alleged to have been directed on a day-to-day basis by a Colonel Hussam Yossef of Egypt, who U.S. officials said supplied his agents with long shopping lists for rocket-fuel chemicals, propulsion hardware, telemetry tracking equipment and assembly plans that one defense analyst described as "a complete package to build or upgrade a tactical missile system." Colonel Yossef was said to have been based in Salzburg,

was helping the Egyptian government to manufacture its own version of the Pershing-2 missile propulsion system.

The Pershing-2 has a range of up to 1,000 miles (1,600 kilometers) and would give Egypt a missile-warhead delivery capability rivaling that of Israel.

The material linking Marshal Abu Ghazala to the operation is based primarily on telephone conversations monitored by U.S. officials. In one of them, Colonel Yossef attempted to expedite the handling of several tons of illegal rocket-fuel cargo by the Egyptian military attaché's office in Washington. The office is under the control of Marshal Abu Ghazala, according to U.S. officials.

An official familiar with the transcript of the conversations, which are not yet part of the public

### INTERNATIONAL POSITIONS

You will find below a listing of job positions published last Thursday under the rubric International Positions.

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Missions and Omissions

"I am a man who sees life in terms of missions," Vice President George Bush said as he accepted the Republican nomination for president in a speech with two missions: to set himself apart from Ronald Reagan and to set himself apart from Michael Dukakis.

instance, troubled children, may strike some people as "insufficiently tough." Well, he said, "I want a kinder, gentler nation."

Baker Deserves Credit

In his three and a half years as secretary of the U.S. Treasury, James Baker sharply changed the administration's ideas about the dollar and world trade. As he now leaves the cabinet to manage his friend George Bush's campaign, he can properly claim to have left the country's economy less vulnerable to disaster than he found it.

much reliance on devaluation and not enough on reducing the federal budget deficit. Mr. Baker understood perfectly the direct connection between the budget deficit and the trade deficit.

Mandela: It's Not Too Late

There may be no person, certainly no prisoner, anywhere whose condition is more closely watched than is Nelson Mandela. The leader of South Africa's leading black nationalist organization, the African National Congress, he is 70 and has been under treatment by government doctors, apparently for tuberculosis.

he continue, as he has vowed to continue, his efforts to free his people. The government spurned his efforts to change the apartheid system peacefully and then sentenced him to jail for life in 1964 on charges of trying to overthrow apartheid rule.

Other Comment

Botha Should Let Him Go When Nelson Mandela entered prison 26 years ago his name elicited blank stares outside South Africa. Today his name is an incantation to stir anti-apartheid troops.

South African president would be wise not to drive too hard a bargain. — The Times (London).

After Zia, Maybe Bhutto — and Then What?

By Mahnaz Ispahani

NEW YORK — The sudden death of President Zia ul-Haq, the graying soldier of Islam, has advanced Pakistan's political drama one more grim step. The president's legacy is a house divided. Now the military must decide, as civilian politicians must ponder, their role in politics.

There has always been an unfulfilled democratic air about the political culture of Pakistan. With General Zia gone, Benazir Bhutto, a smattering of moribund politicians and a host of young bloods (mostly unknown in the West) are the likely tribunes of a return to popular participation.

The Pakistanis can consolidate their ignoble political past or choose a real and rattling adventure in democracy.

Afghan refugees, by more than half a million drug addicts and by strains with India. His long tenure was due to shrewd politicking, the support of middle-class and traditional conservative constituencies, good harvests and, of course, the respect of the army.

Mahnaz Ispahani frequently writes on South Asian, Central Asian and West Asian affairs. This column was contributed to The New York Times.

Losing Half The Battle of New Orleans

By David S. Broder

NEW ORLEANS — Now that the Republican convention is history, it is becoming clear that George Bush won half the battle of New Orleans in a breeze and gave away the other half without a fight.



may or may not grow into those roles, but he is not there yet. The process that led Mr. Bush to choose Mr. Quayle is as worrisome as the result. First, Mr. Bush, unlike Mr. Dukakis, distanced himself from the interviewing, indulging in a typical distaste for personal confrontation.

And that is where he suffered a serious setback in New Orleans. About 80 percent of what presidents do involves picking people and making decisions, the rest being ceremonial. In his first important "presidential" decision, Mr. Bush picked the wrong guy as his running mate in Senator Dan Quayle of Indiana.

tion of himself, a man of similar temperament, class and background, who would be as comfortable a partner for Mr. Bush in tennis doubles as in Cabinet Room conversations, a man who would, like Mr. Bush himself, know his place in the vice presidency.

Why Prague's 'Noble Counterrevolution' Went Awry

By Josef Skvorecky

TORONTO — Twenty years ago the Soviet Union coined one of our century's more memorable euphemisms. By means of half a million soldiers and 5,000 assault rifles, Moscow "rendered brotherly help" to Czechoslovakia because its boss, Alexander Dubcek, had just stated his intention to put a "human face" on socialism.

Leninist state is the monopoly of power. The still valid (Mikhail Gorbachev uses it) euphemism for this monopoly is "the leading role of the party." How to reconcile that role with democracy became Dubcekism's stumbling block.

but simply on "mass organizations" that already existed: trade unions and special-interest groups such as the Association of Aquarium Owners and the Tourist Brotherhood.

the police, while in internal problems such as the economy it would give nonparty people a much more important, perhaps decisive, role to play. Where such schizophrenia would lead is not hard to predict.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

A Fortress Won't Help Europeans

By Robert D. Hormats

NEW YORK — The date now set for the economic unification of the 12 countries of the European Community is 1992. Not since Napoleon's quest to unite Europe has any quest so ambitious been attempted. Today, of course, it is not artillery but the force of logic — that Europe cannot compete with Japan and the United States without a radical restructuring — which dictates the dismantling of cumbersome barriers to the internal movement of goods, capital, people and services.

But statements from across the Atlantic raise questions about how single market will affect the United States. Willy De Clerq, the community's commissioner for external relations, was reassuring when he said recently that the goal was not to create a "Fortress Europe" but to create a dynamism behind the internal market as a negotiating lever to promote worldwide trade liberalization.

Several other issues concern external trade relations. Will European companies that become exposed to greater competition because of lower barriers in Europe try to block lower barriers vis-a-vis the rest of the world to protect themselves from intensified U.S. and Asian competition? Will Europe develop internal rules in areas not covered by international agreements (for instance, on services or investment) to restrict the activities of outsiders and reduce multinational agreements to foster greater openness?

Enduring Lies Behind... 21 Neo-Nazis Arrested In West German Town... WINSIEDEL... The police arrested 21 neo-Nazis in the town of Winsiedel, West Germany, on Monday. The arrests followed the discovery of a plot to assassinate a West German politician.



هكذا من الأجر

# Enduring Tribal Blood Feud Lies Behind Burundi Killings

By Blaine Harden

NAIROBI — The massacre last week of 600 to 800 people in the small nation of Burundi is a reminder of the blood-feud resentments that endure there in the mountains of central Africa under a military regime that practices a kind of tribal apartheid.

In Burundi, where about five million people are crowded into a remote highland country of about 28,000 square kilometers (about 11,000 square miles), the majority Hutu tribesmen are ruled by the minority Tutsi. Hutus outnumber Tutsis by 6 to 1, yet they have almost no role in the government or the military. The Tutsis control that little wealth there is in the world's 13th-poorest country.

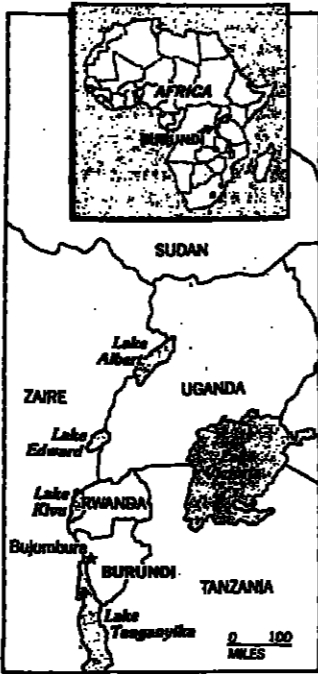
The inherent tensions of minority rule are heightened in Burundi by memory of the worst instance of tribal genocide in the history of modern Africa. In 1972, a previous Tutsi-dominated government systematically exterminated about 100,000 educated Hutus.

The killings last week, which reportedly began when Hutus in the mountains of northern Burundi carried out "selective" massacres and spear attacks on Tutsi families, constitute by far the worst outbreak of ethnic violence since 1972.

According to a senior western diplomat in Burundi, the violence has increased tribal fears across the country.

"A lot will depend on what happens in the next few days, but right now emotions are running very high," said the diplomat, who was interviewed by telephone in Bujumbura, the capital.

Apparently anticipating tribal retaliation, about 15,000 Burundians have fled the northern mountains for asylum in bordering Rwanda, a country where the Hutu tribe controls the national government. A Western diplomat in



Rwanda said most of the refugees were Hutu women and children.

In an effort to prevent a repeat of the revenge killing that veered out of control 16 years ago, Burundi's military government has dispatched an elite force of soldiers from the capital to the northern highlands. Like nearly everyone in the national government, nearly all of the soldiers are Tutsi.

"The government is attempting to get the lid back on and keep the tension isolated in that northern region," the diplomat in Bujumbura said.

He said there is widespread grief and anger in the capital among civil servants, many of whom recently had sent their children north for holidays with grandparents. Reports from the Ngozi and Kirundi provinces in the north indicate that some of those children died in last week's massacre.

The violence last week started with "fairly systematic and efficient" attacks on Tutsi houses by Hutus armed with machetes and spears, according to the Western diplomat in Bujumbura.

"The people there live on hill-sides in isolated huts," the diplomat said. "Everybody knows who is who. It wasn't too hard to surround a compound, set it on fire and kill the people as they came out."

He added that after the first wave of killing, there were apparently Tutsi revenge attacks.

Counts of the dead conducted by government soldiers at the scene have come up with 300 to 400 bodies from each tribe, the diplomat

said. He said more bodies might be discovered.

The Burundi government, like nearly everyone in that country, is extremely unwilling to acknowledge the existence of tribal hatred. This reticence is such that many Burundians refuse even to say the tribal names "Hutu" and "Tutsi."

Instead, they speak of the Short Ones, the Hutus, who make up 85 percent of the population and who are mostly subsistence farmers of Bantu origins, and the Tall Ones, the Tutsis, who make up 15 percent of the population and who were once cattle people, probably of Ethiopian origin. The Tall Ones (many of whom are more than 6 feet tall) have been Burundi's elite for four centuries.

"Agitation" for last week's killing, according to Burundi's foreign minister, Cyprien Mbonimpa, came from "Burundi nationals abroad who had infiltrated the people with the aim of convincing them that civil war was imminent."

By this, Mr. Mbonimpa apparently meant that the government believes Hutu dissidents based in Rwanda had persuaded Burundi Hutus that the Tutsis were planning another tribal massacre.

Mr. Mbonimpa told foreign diplomats in Bujumbura last Wednesday that "the perpetrators of this horror and their commanders want to provoke ethnic civil war."

The violence surprised many political analysts because it comes at a time when the new military leader, Major Pierre Buyoya, a Tutsi who came to power in a coup 11 months ago, has made significant progress in reducing repression in the country.

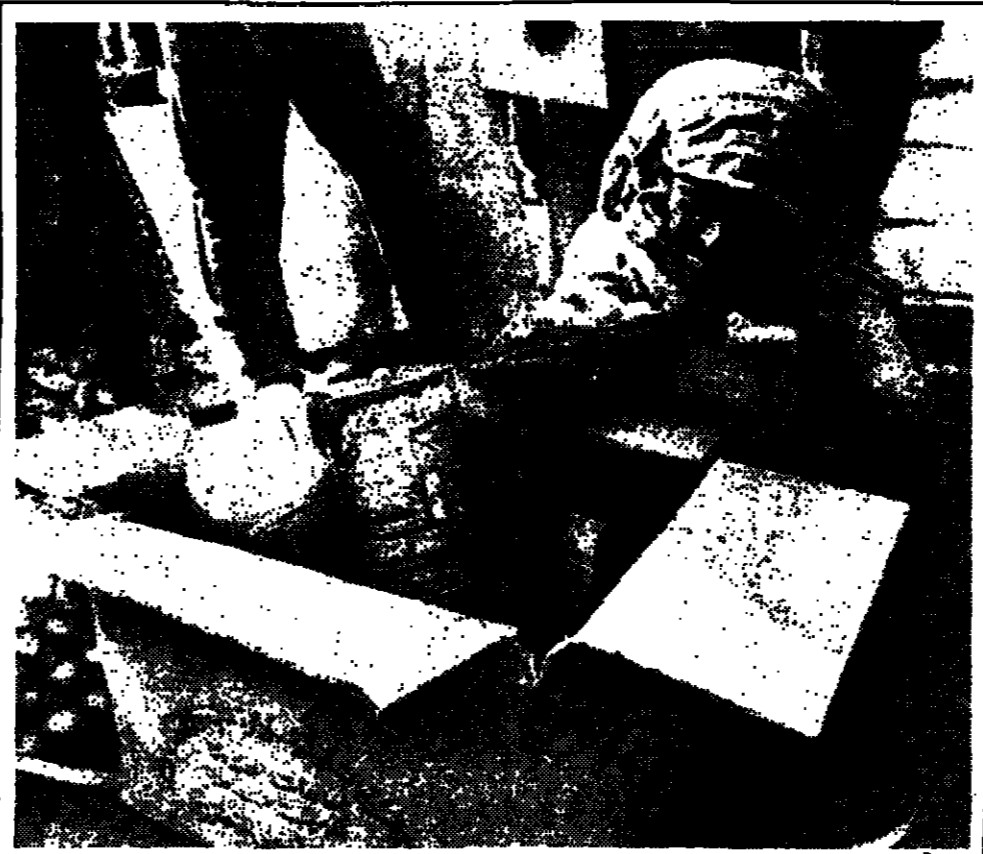
"On the human rights side, over the past year, Burundi would have to get the prize for the most improved," the Western diplomat said. "Up to last week, it had no political prisoners that we were aware of."

A rare dispute between an Afrikaner leader and the pro-government press broke into the open last week when Mr. Botha accused Beeld, the biggest Afrikaans-language daily, of "irresponsible methods" in its commentary on the issue. The president made it clear that he wanted the editor fired.

Beeld called on the government to scrap the legislation, which it said would seriously damage race relations and play into the hands of the country's opponents.

On Sunday, the biggest Afrikaans weekly newspaper, Rapport, joined a growing tide of opposition to what it called a "merciless" bill and urged the government to reconsider the details, rather than completely abandoning the legislation.

The proposal provides for mandatory eviction of persons violating



DESPERATION IN SUDAN — A Sudanese woman dipping into a box of food sent by Saudi Arabia on Sunday. About 3,000 tons of relief supplies have arrived in Sudan, but experts say that the amount is insufficient for the thousands of people made homeless in north and central Sudan by flooding of the White and Blue Niles. In Khartoum, volunteers raced to build flood barriers.

# Afrikaners Resist Eviction Legislation

By John D. Battersby

New York Times Service

JOHANNESBURG — President Pieter W. Botha is facing growing resistance from within the Afrikaner establishment to his plans to enact legislation this week that could lead to the mass eviction of tens of thousands of blacks who are defying residential segregation laws.

A rare dispute between an Afrikaner leader and the pro-government press broke into the open last week when Mr. Botha accused Beeld, the biggest Afrikaans-language daily, of "irresponsible methods" in its commentary on the issue. The president made it clear that he wanted the editor fired.

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The proposal provides for mandatory eviction of persons violating

laws on residential segregation. Under the present law, the onus is on the state to provide alternative accommodation before evicting offenders. Between 100,000 and 200,000 nonwhites are already living in de facto multiracial areas in violation of the law.

The bills in question are opposed by the chamber of Parliament for members of mixed race and by the liberal opposition in the chamber representing whites. A combined committee representing the separate white, mixed-race and Asian houses of Parliament failed to reach consensus on the legislation.

If Mr. Botha is determined to enact the measures in their present form, it is clear that he will have to use a presidential commission to force them through Parliament.

Roger Burrows, a legislator from the liberal Progressive Federal Party, has described the bill as a "recipe for revolution."

"Apart from a direct physical threat," Mr. Burrows said, "one of the most provocative things you can do to a person is to remove the roof over his head."

The law, which is due to be discussed during a special session of the white-dominated Parliament in Cape Town this week, has been

strongly opposed by a powerful coalition of anti-apartheid, business, church and political groups that cut across traditional political barriers.

The country's two most influential industrialists, Harry F. Oppenheimer, the retired chairman of Anglo American Corp., a gold mining company, and Anton Rupert, the Afrikaner chairman of the Rembrandt Group conglomerate, have joined the chorus of opposition to the bills.

Beeld broke new ground three weeks ago by calling for the release of the imprisoned black nationalist leader Nelson Mandela.

"This newspaper has now made it a habit to periodically embarrass the government over sensitive issues," Mr. Botha said last week at the annual conference of his National Party.

**Mandela Freeing Predicted**

A South African official said Saturday that he thought Mr. Mandela, the leader of the African National Congress, would be freed within three to four weeks, The New York Times reported from Johannesburg.

The official said he thought the government would release Mr.

# President Found Dead From Gunshot Wound At His Home in Palau

The Associated Press

KOROR, Palau — President Lazarus Salii has been found shot to death in his home, the second president in a row to die by gunfire in this island chain in the Pacific Ocean.

It was not immediately known if Mr. Salii, 54, who was found Saturday, had killed himself or was shot by an unknown assailant. A police officer, Theodore Obak, initially said an unknown gunman had fired the shot that killed the president, but a government spokesman later said that a gun was found at the scene and that suicide had not been ruled out.

Chester Pavlovski, the U.S. State Department representative in Palau, said investigators were "going along the line it's self-inflicted."

"There are indications that's what it was," he said.

Mr. Pavlovski said he had no details on what evidence pointed to suicide.

Vice President Thomas Remengesau, who also was the Palauan minister of justice, was sworn in as the new president over the weekend. Mr. Remengesau, 57, will serve for the remainder of Mr. Sa-

lii's term, which ends later this year.

Palau, which is about 4,500 miles (7,300 kilometers) southwest of Hawaii and 600 miles east of the Philippines, has been beset by economic and political problems in recent years. The island chain, with a population of 15,000, has been administered by the United States since the end of World War II.

Mr. Salii was elected in August, 1985, to succeed Haruo Remeliek, the country's first elected president, who was gunned down outside his home two months earlier.

Three men were convicted of killing Mr. Remeliek, but they were later acquitted on appeal. Two of the three were relatives of a political opponent of Mr. Remeliek.

Bonifacio Basilius, a special assistant to the president, said Mr. Salii was sitting alone in his house Saturday while his wife, driver and maid were eating lunch outside. The three heard what they thought was a shot about 1:30 P.M. The driver checked the grounds and found nothing unusual.

About 20 minutes later, Mrs. Salii went into the house and found her husband, shot once in the head. Mr. Basilius said.

Police found a .357-caliber Magnum revolver and a spent bullet, he said.

Asked if the death was a suicide, Mr. Basilius said, "We're not ruling out anything." He declined to comment further.

Both Messrs. Salii and Remeliek were strong supporters of a proposed "compact of free association" with the United States, which would provide for Palau's self-governance and the continuation of U.S. economic aid.

After World War II, the United Nations placed several groups of islands in the Pacific, all of which were previously held by Japan, in a trusteeship administered by the United States. In the past decade, all the island groups in the Trust Territory of the Pacific except Palau have approved plans for self-rule.

Since 1983, Palauans have voted several times on the proposed compact of free association. The proposal includes granting U.S. warships the right to visit the islands.

Palauan courts have ruled that the compact conflicts with anti-nuclear provisions in the Palauan constitution, since visiting warships could carry nuclear weapons. The constitution does state that the anti-nuclear provisions can be overridden with the support of 75 percent of voters. But in several plebiscites on the compact, the highest level of voter approval for an override has been 73 percent.

# Gunman Kills 4 In Norway Village

Reuters

OSLO — A man with a shotgun killed four people and wounded two more on a shooting range in southern Norway, the police said Sunday.

The man, 22 years old, was first spotted wandering through the village of Farsund clutching a shotgun on Saturday afternoon. He then shot and killed two men who walked out to inspect their targets on a nearby shooting range.

The gunman later killed two ambulance staff as they ran onto the range.

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**DER SPIEGEL**



# Thousands Mourn At Zia's Funeral In Pakistan Capital

By Karen DeYoung and Richard M. Weintraub  
Washington Post Service

ISLAMABAD, Pakistan — President Mohammed Zia ul-Haq was buried in the presence of hundreds of thousands of his countrymen and scores of foreign dignitaries.

The armed forces, which ran Pakistan under martial law for most of the 11 years that General Zia was in power, managed the lengthy, open-air ceremony with precision.

Soldiers and police used riot sticks to force back surging crowds of mourners as troops in regimental dress pulled the coffin aboard a gun carriage to the burial site.

The funeral, broadcast live on Saturday on Pakistani television, was held outside the King Fahd Mosque, which was inaugurated by General Zia in June. His became the first grave in the still bare surrounding land.

An open-sided tent, cooled by electric fans, was set up to shelter foreign leaders from the midday heat. Secretary of State George P. Shultz, representing the United States, sat with Foreign Minister Hans-Dietrich Genscher of West Germany and Sir Geoffrey Howe, the British foreign secretary.

At a news conference Saturday night, acting President Ghulam Ishaq Khan said the government still suspected that sabotage had caused the explosion on Wednesday that destroyed the military plane carrying General Zia and several senior Pakistani military officials, as well as the U.S. ambassador to Pakistan, Arnold L. Raphel. All 37 people aboard the plane were killed.

Mr. Ishaq Khan said the circumstances of the disaster indicated that "enemies of Pakistan are actively posing a threat to the security of our country."

But he acknowledged that investigators still had no proof of sabotage, or of who might have been responsible.

In their initial report Friday to Mr. Ishaq Khan, investigators ruled out the possibility of an accident. Quoting senior Pakistani officials familiar with the inquiry, the acting president said they had drawn up a list of six groups that they believe might have been involved in the explosion.

One official said the Afghan secret service, Khab, was a prime suspect because of General Zia's strong support for Afghan guerrillas fighting the Soviet-backed government in Kabul.

The list also included the extremist pro-Iranian Shiite faction of Pakistan Moslems, who held General Zia responsible for the assassination on Aug. 5 of one of their leaders, Arif al-Hussaini, officials said. Others suspected were five Pakis-

tinians who pledged revenge against General Zia when given death sentences in their absence for hijacking; the Qadianis, a religious sect the general had moved against; and nationalist groups involved in a bitter struggle against the army in Sind Province.

Also, investigators have not ruled out involvement by disgruntled military officers, Mr. Ishaq Khan said.

He reaffirmed the commitment of the government to hold National Assembly elections on Nov. 16. General Zia dissolved the National Assembly, the lower house of Pakistan's parliament, in May and had prohibited National Assembly candidates from running on party slates. That ban has been challenged in the courts.

Asked whether he favored allowing party participation, Mr. Ishaq Khan said that the constitution allowed for freedom of political association. "But the interpretation of the constitution is a function of the courts," he said. "I am in no position to do that. I won't go against the courts."

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A mourner with a portrait of President Mohammed Zia ul-Haq during the funeral in Islamabad.

# Paris and New Caledonia Reach Accord

By Steven Greenhouse  
New York Times Service

PARIS — France has announced agreement on the future of New Caledonia that offers amnesty for many jailed Melanesian separatists and sets rules for a referendum in 1998 on independence for the South Pacific territory.

France's minister for overseas territories, Louis Le Penec, said Saturday that the government and the main separatist and loyalist groups had reached an accord that satisfied the principal separatist group, which had threatened to scuttle a previous agreement.

New Caledonia was the most volatile issue facing Michel Rocard when he became prime minister in May. On May 5, French troops launched an assault that resulted in the deaths of 19 Melanesian separatists who were holding 23 hostages. Two French soldiers died in the assault. The separatists killed four policemen when they seized the hostages two weeks earlier.

French political analysts say that resolving the New Caledonia crisis is important to Mr. Rocard to help improve France's image in the Pacific. Australia, New Zealand and several other Pacific nations have condemned France for maintaining a colonialist policy.

After that agreement, however, the main separatist group, the

referred to as the Kanak Socialist National Liberation Front, which represents native Melanesians, demanded modifications in the accord, especially regarding amnesty for 200 Melanesians in jail.

On June 26, France announced a major accord with the separatists and loyalists calling for a referendum on self-determination in 1998, direct rule by Paris during 1989 and increased economic development efforts for the colony. That agreement also called for setting up three autonomous regions within New Caledonia, one to be dominated by white settlers and the other two by Melanesians.

Other former guard officials disputed Mr. Moorhead, however, and said that the headquarters detachment had been among the most highly coveted assignments in the Indiana National Guard.

After two days of campaigning together in Indiana and Ohio, Mr. Bush and Mr. Quayle broke off their joint appearances Sunday, with the senator going to Washington to organize his campaign effort.

# QUAYLE: Dole Says Guard Duty Furor Will Linger

(Continued from Page 1)

gain him a slot in the Indiana National Guard.

Seeking to maintain its quota of inductees at the height of U.S. involvement in the Vietnam War, the draft board in Huntington County, Indiana, called Mr. Quayle, then a 22-year-old senior at DePauw University, for his examination on April 9, 1969, less than two months before he graduated and his student deferment expired, according to Selective Service records.

"His chances of going in probably would have been pretty good," said Linda Stevely, a spokesman for the Selective Service System in Washington, after examining Mr. Quayle's draft records. "There was nothing to keep him out should he be called."

Mr. Quayle entered the national guard on May 19, 1969, after Mr.

Robert Moorhead, the former commanding general of the Indiana National Guard's 38th Infantry Division, said a review of records had shown that the headquarters detachment had 136 authorized slots at the end of May 1969 but that only 132 of those positions were filled.

# INVADERS: Prague's Ideals Return

(Continued from Page 1)

nist economic system has failed. A similar description of the cycle of reform and counterreform came from Miroslav Pavel, official spokesman for the Czechoslovak government. Trying to put the Prague Spring into a historical context, he listed the dates of past attempts at economic change in Czechoslovakia: 1958, 1966-68, 1980-81. All, he noted, had failed.

He insisted that "1968 was not exceptional."

"It was only exceptional in the way it ended," he said.

There are some remarkable similarities between the years leading up to the 1968 Prague Spring in Czechoslovakia and the present period of perestroika, Mr. Gorbachev's program of restructuring, in the Soviet Union. Both efforts originated in the perception of economic decline by the Communist elite. Attempts to liberalize led inexorably to demands for political change.

By the mid-1960s, many Czechoslovak Communists had concluded that their country was falling behind its natural Western competitors. Czechoslovakia, once considered one of the world's 10 leading industrialized countries, was no longer able to compete in Western export markets. Blame was placed on a totalitarian system that stifled individual initiative and distorted economic development.

The liberal changes of 1966-67 ushered in the 1968 Prague Spring. In Hungary, a similar process was taking place. Janos Kadar, who helped the Soviets suppress the 1956 Hungarian uprising, started his "new economic mechanism" in 1966.

The invasion of Czechoslovakia provided a dramatic reminder of the limits of Soviet tolerance. "Reform" became a dirty word in the Communist lexicon. In Moscow's view, measures such as the abolition of press censorship and the formation of independent political clubs threatened the primacy of party rule.

Something, however, had to be done to keep restive populations quiet. In December 1970, Polish workers rioted along the Baltic coast, causing the dismissal of the increasingly autocratic Mr. Gomulka. Since economic change had become too risky, the solution government adopted was to buy off the workers.

"They exploited the future," said Vaclav Havel, Czechoslovakia's leading playwright and dissident, arguing that Communist governments had looked for quick, short-term solutions instead of changing an unworkable system.

This exploitation of the future took different forms in different countries. Poland and Hungary racked up huge foreign debts that now have to be paid back in Czechoslovakia, the country's historically sound technological infrastructure became dilapidated.

Throughout Eastern Europe, nature was exploited recklessly, creating the conditions for an environmental crisis today. Factories were allowed to pollute the air and deposit the landscape.

The only Soviet bloc leader who managed to preserve elements of economic change in the 1970s was Hungary's Kadar, one of the most skillful politicians in Eastern Europe. Yet, even he was forced to retreat in 1973 as a result of Soviet suspicion and domestic political opposition.

"The Czechoslovak events encouraged the conservatives in Hungary," said Gyorgy Aczel, Hungary's veteran ideologist, who was dropped from the Politburo earlier this year. "If you were the manager of a large factory being kept going by government subsidies, you were naturally not very enthusiastic about reforms."

Twenty years after the invasion of Czechoslovakia, the governments of Eastern Europe face a potentially explosive situation. Living standards have risen sharply in the last two decades, as have popular aspirations to a freer and more abundant life. But the ability of Communist regimes to meet these aspirations has declined.

The same factors that enabled Communist leaders to postpone change for a generation are now making it the only way out of an economic impasse. Western credits have been transformed into debts. Even nature is beginning to revolt against its predators.

The mistakes of the 1970s are now openly acknowledged by Communist leaders.

"Reforms can mean disruption, pain," said Mr. Aczel, adding that things were likely to get worse before they get better. "But there is no other solution. Either we totally restructure our economies, or we sink to the level of Third World countries."

# Noriega Steps Up Harassment Of Americans, U.S. Asserts

By Elaine Sciolino  
New York Times Service

WASHINGTON — The regime of General Manuel Antonio Noriega of Panama has widened its harassment of U.S. officials in recent weeks as a way of forcing the United States to lift punitive financial measures against the country, according to administration officials.

The harassment involves incidents of beatings, abductions, rape and extortion of U.S. military personnel or their dependents, as well as a refusal to honor the visas of U.S. officials trying to enter Panama and a ban on mail service at U.S. military bases and civilian offices, officials said.

The officials are from the State and Defense Departments and from the United States Southern Command in Panama, the U.S. military headquarters for Latin America.

The officials said the harassment reflected a new drive by General Noriega to make it more difficult for the United States to carry out normal diplomatic and military operations and to damage the morale of Americans in Panama.

"They've stepped up their harassment to see just how far they can go," a senior administration official said. "They're trying to make life miserable for Americans as a way of forcing us to relent on our sanctions."

Another official said: "In the past two months there have been incidents of beatings, abductions, rape and other physical abuse of American servicemen and their dependents by members of the National Defense Forces and the police, both of which are under General Noriega's command."

The Southern Command has lodged protests against the Panamanian actions, administration officials said, but they have had no practical effect. The officials said they were pressing for more vigorous action.

According to Southern Command reports, in one case in June, an enlisted man and his wife were held at gunpoint by a Panamanian military officer who assaulted them, forced the serviceman into the trunk of his car and beat and raped the man's wife.

In another incident, a serviceman who got into an argument over a parking car with a Panamanian believed to be an undercover intelligence officer was taken into a military station and beaten. He was left with loosened teeth, a broken finger and a broken toe, Southern Command officials said.

On Aug. 1, a U.S. serviceman and his father were held for 24 hours by four Panamanian military officers and questioned at gunpoint, the Southern Command said. The two Americans were robbed of \$300 and of their identification cards by the Panamanians, who appeared to be drunk. The father of the serviceman was beaten.

On Saturday, Mr. Le Penec announced that there would be amnesty for jailed Kanak separatists except for those being held in connection with killings. The accord also sets rules for who will vote in the 1998 referendum.

Jean-Marie Tjibaou, the leader of the Kanak Liberation Front, and Dick Ukeiwé, a New Caledonia senator who headed the loyalist negotiating team, both termed the new agreement "a great victory."

New Caledonia, an overseas territory of France, has its own territorial assembly. One of the purposes of direct rule from Paris next year is to help overcome policies seen as discriminatory, such as an education system in which only one in seven Melanesian natives reaches secondary school.

Melanesian natives represent 43 percent of the archipelago's population of 145,000, Europeans 36 percent, and Asians and Polynesians the rest. Given their higher birth rate, Melanesians could represent a majority by 1998.

Eastern Air Lines and Pan American World Airways said recently that they would no longer carry U.S. officials with diplomatic passports to Panama if the officials did not have valid visas.

The Panamanian Embassy in Washington continues to recognize Eric Arturo Delvalle as Panama's president even though Mr. Delvalle's removal from office was engineered by General Noriega in February, and he was replaced by Manuel Solis Palma. The United States also recognizes Mr. Delvalle as the legitimate president.

When asked whether the United States had officially protested the refusal to allow U.S. officials into the country, a State Department official said: "That would be sort of hard. You don't make an official protest to a government you don't recognize."

On Tuesday, the Panamanian military banned the delivery of mail from the United States through Omar Torrijos International Airport, in violation of the Panama Canal treaties and other accords. Panamanian officials gave assurances to the United States that mail delivery is to resume Monday, Southern Command officials said.

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# Singapore Party Forces 14 to Quit Parliament Seats

United Press International

SINGAPORE — The People's Action Party of Prime Minister Lee Kuan Yew forced 14 members of parliament to "retire" Sunday in a shake-up that upset many party loyalists.

The departure of the older representatives, some of whom held ministry posts, was viewed by analysts as a purge of the party's "old guard."

Fourteen new candidates will run in the parliamentary elections, scheduled Sept. 3, were pre-announced at a party rally.

Goh Chok Tong, assistant secretary-general of the party, said the retirement of the older members was "part of a necessary self-renewal process."

Some of the 14 who retired have been close confidants of Mr. Lee. They included Dr. Toh Chin Chye, a former deputy prime minister, Sinnathamby Rajaratnam, also former deputy prime minister and senior minister in the prime minister's office; Dr. Yeoh Ghim Seng, speaker of parliament; Edmund W. Barker, minister for law; Ong Pang Boon, a former labor minister; and Jek Yean Tong, a former minister of culture and the high commissioner to Britain.

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# PRAGUE: 10,000 Protest 1968

(Continued from Page 1)

the crowd sang the Czech and Slovak national anthems.

Miss Kanturkova said she and Mr. Hradilek had gone to the square in place of three group spokesmen who were detained Saturday as they walked to the Soviet Embassy with an appeal to the Kremlin to tell the truth about the 1968 invasion, organized by Moscow to suppress the changes of Mr. Dubcek.

Prague's Communist leadership, which after 1968 moved to crush some of the very innovations now favored in Moscow, recently embarked upon carefully controlled economic changes and has allowed independent groups and cultural activists more leeway.

But the heavy police presence on Sunday seemed to indicate that the Prague leadership will not tolerate renewed protests against the invasion.

(AP, UPI)

### Moscow Demonstration

Bill Keller of The New York Times reported from Moscow: National guard troops helped the police sweep protesters from a central Moscow park on Sunday even before the protesters had a chance to hoist their placards denouncing the 20th anniversary of the intervention.

Dozens of protesters were dragged away and thrown into police buses, as bystanders chanted "Shame!" and "Fascists!" at the police.

# POLAND: Shipyard Strike Called

(Continued from Page 1)

social and economic situation stems from the violation of human rights and of the dignity of the working man," the bishop said in a letter read Sunday in all churches in the Katowice region.

The government has refused to hold talks with the union since it was banned after martial law was declared in December 1981.

A Solidarity committee at the Adolf Warski shipyard in Szczecin issued a statement on Sunday calling for an immediate strike. The yard was an important Solidarity stronghold during unrest in 1980.

Strikers say about 2,000 port workers and 1,800 bus and tram drivers are on strike in Szczecin, about 400 kilometers (250 miles) northwest of Warsaw. All port activities have been suspended.

Solidarity leaders at the big Ursus tractor factory and the Lenin steelworks in Krakow, Poland's biggest plant with 32,000 workers, have said they will call for a strike if force is used to try to end the unrest.

(UPI, Reuters, AFP)

FROM TERMA  
MONDAY, AUGUST 22, 1988  
ECONOMY

# Fed Chief Curbing Inflation With 'Incremental' Moves

By LOUIS LOMAX

NEW YORK — Federal Reserve Chairman Paul Volcker said today that the Fed's strategy to bring down inflation is to take "incremental" steps.

Mr. Volcker said the Fed has been successful in bringing inflation down from 13.5 percent in August 1987 to 7.8 percent today. He said the Fed will continue to take "incremental" steps to bring inflation down to 6 percent by the end of 1988.

The consumer price index has risen at an annual rate of 4.2 percent for the first six months of this year over the same pace as last year.

To keep inflation from rising, Mr. Volcker said the Fed will be "increasing the demand for money" and "making credit more expensive" when an inflationary cycle begins. He said the Fed will also raise the discount rate and the federal funds rate.

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### Other Dollar Values

Country	Per \$	Change
Australia	1.25	+0.01
Canada	0.72	+0.01
France	166.25	+0.01
Germany	1.75	+0.01
Italy	1,360	+0.01
Japan	160	+0.01
Netherlands	2.20	+0.01
Switzerland	1.50	+0.01
UK	1.50	+0.01

### Stock Indexes

Index	Aug 19	Aug 22	Change
DJ Ind	2,215.00	2,217.50	+2.50
S&P 500	242.75	243.12	+0.37
NYS Comp	262.25	262.50	+0.25
NYSE Ind	107.50	107.75	+0.25



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MONDAY, AUGUST 22, 1988

ECONOMIC SCENE

Fed Chief Curbs Inflation With 'Incremental' Moves

By LOUIS UCHITELLE New York Times Service NEW YORK — Ever since Alan Greenspan became chairman of the Federal Reserve Board a year ago, the big question has been whether he would be as effective an inflation fighter as his predecessor, Paul A. Volcker.

Now that the Fed has been nudging up interest rates, and this policy is likely to continue, Mr. Greenspan's view is that while inflation has been rising slowly, becoming a worrisome matter in August, it has not taken hold of the economy, as some other economists have contended.

The consumer price index has risen at an annual rate of 4.2 percent for the first six months of this year, about the same pace as last year. To keep inflation from accelerating, the Fed's actions since March have been aimed at dampening demand by making credit more expensive.

Another goal has been to forestall an inflationary cycle. When people begin to fear increased inflation, they often step up buying to beat the price increases; that extra spending adds to inflationary pressures, and the fears of inflation become self-fulfilling.

Mr. Greenspan's strategy represents a fairly standard way of dealing with the threat of inflation. William McChesney Martin, Fed chairman during the 1950s and 1960s, once said, "The Federal Reserve's job is to take away the punch bowl just as the party gets going."

Testifying before Congress last month, Mr. Greenspan's words were less colorful, but they are likely to be recalled as a milestone in his tenure. He said the risks of inflation were "sufficiently great that Federal Reserve policy at this juncture might be well advised to err more on the side of restriction than of stimulus."

While the broad outlines of Mr. Greenspan's strategy have been clear for some time, his recent congressional testimony, the minutes of the closed-door meetings at which central bank policy is set and recent talks with Fed officials provided a more detailed guide to the Fed chairman's thinking. Among the main points:

INFLATION. Until this month, he did not view the inflationary pressures slowly building in the economy as a worrisome problem. Although the prices of metals and other commodities were rising, the increases were not translating into general price increases, mostly because wages and other labor costs were not increasing significantly, and labor costs represent the bulk of business expenses.

Recent data has changed his viewpoint, with some of the most telling being a rise in the employment cost index, an increase in average wages, and reports from the Fed's regional banks of moderately higher wages in their areas.

INTEREST RATES. The basic interest rate policy since the spring has been to raise rates by very small amounts — "incrementally" is the term that is used. The danger of pushing up rates too quickly lies in the impact on the dollar, whose value usually rises along with U.S. interest rates.

Too sharp an increase in interest rates and the dollar could be dangerous. Fears about the effect of a strong dollar on the trade deficit could lead to a reaction in the markets that would abruptly drive down the value of the dollar.

Verdict Is Guilty in Hunt Case

Damages Are Set At \$130 Million

Compiled by Our Staff From Dispatches NEW YORK — The Hunt brothers of Texas, whose combined riches once totaled an estimated \$6 billion, were found in federal court to have improperly attempted to corner the silver market eight years ago, and, with other defendants, they were ordered to pay a Peruvian government company more than \$130 million in damages.

The Peruvian company, Minpeco SA, alleged that Nelson Bunker Hunt, William Herbert Hunt and Lamar Hunt broke antitrust and racketeering laws by scheming to corner the silver market — and then trying to do so by buying a third of the world's silver supply in 1979 and 1980.

Jurors in the trial, which began in February, on Saturday found the three brothers guilty of violating fraud, commodities and antitrust laws. Nelson and William also were found guilty of racketeering charges, but the civil case verdict carries no criminal penalties.

Lamar, owner of the Kansas City Chiefs football team, was found not guilty of racketeering. Also found liable were Mahmoud Fustock, a businessman and brother-in-law of the crown prince of Saudi Arabia, and International Metals Investment Co., a Bermuda concern owned by Nelson Hunt, Herbert Hunt, and two Saudi Arabian sheikhs, Mohammed Aboud al-Amoudi and Ali bin Musesalem.

During the Hunts' buying spree, the price of the precious metal went from \$9 an ounce to more than \$50 an ounce. Then the bottom fell out of the market and prices plummeted to \$10 an ounce. The Hunts bought 59 million ounces of silver in less than a year, and ended up losing \$1.5 billion.

Silver currently is trading at about \$6.66 an ounce. The jury delivered its verdict after six days of deliberations. It determined that the Hunts had cost Minpeco \$63 million in short silver futures contracts, \$24.5 million in interest on loans to pay for its losses and \$12.2 million in future trades. The jury said, however, that damages should be offset by \$33.4 million Minpeco earned on silver it held during the same period.

Lawyers for Minpeco said they arrived at the \$130 million figure because some of the judgments will be troubled because of the racketeering charges.

See HUNTS, Page 9



Lamar Hunt, left, Nelson Bunker Hunt, center, and William Herbert Hunt leaving federal court in New York after losing a case in which they were accused of trying to corner the world silver market.

Texas Trio Seems Larger Than Life But Silver Case and Oil Problems Cloud Hunts' Future

By James Hirsch New York Times Service

NEW YORK — Even by Texas standards, the Hunt brothers stand astride their state as larger-than-life figures — leaders of a powerful, sprawling dynasty, brash businessmen and flamboyant social mavericks whose lives have been a prime-time saga for more than a quarter of a century.

Those years have seen the fortunes of one of the world's richest families rise and fall as the brothers won and then lost in bold and risky forays into real estate, oil, and the silver market, the last a venture that led to the \$130 million judgment against them on Saturday.

The three brothers — Nelson Bunker, 62; William Herbert, 59; and Lamar, 56 — are sons of the eccentric and legendary H.L. Hunt, a one-time professional gambler who parlayed a few oil leases with money made at poker into a fortune worth \$2 billion by 1954.

Bunker, Herbert and Lamar have taken the most active and visible role in running — some say ruining — the family fortune through their management of Placid Oil Co., Pennrod Drilling Co. and other concerns, as well as their involvement in the silver debacle of 1980.

In many ways, the brothers have come to symbolize the swaggering, independent image of Texas. It is a family whose members say such things as "a billion dollars isn't what it used to be" and whose internal feudings make the Ewings on "Dallas" look like the "Brady Bunch." Politically conservative and personally reserved, they have always displayed a Texas-style fondness for big things — big deals, big risks, big payoffs.

And big losses, particularly for Nelson, the most colorful of the brothers, who for many years appeared to lead credence to his father's "genius gene" theory. In the 1960s, he may have been the wealthiest man in the country, worth an estimated \$16 billion. During the past decade, he has made and lost more money in

the oil fields and commodities markets than his father did in a lifetime. Indeed, the losses connected to the family's silver gambit have been staggering. In 1979, the Hunts tried to corner the silver market by amassing 195 million ounces of silver valued at \$6.6 billion. By January 1980, silver prices peaked at \$50.35 an ounce, up from \$6 an ounce in early 1979. But in March, the price tumbled to \$10.80, and the Hunts brothers said their losses were between \$500 million and \$1 billion.

Troubles worsened for the Hunts when oil prices plunged several years later. Last year, the Hunts, whose assets had a liquidation value of \$1.48 billion, owed their creditors \$2.43 billion. Despite these mammoth problems, the Hunt brothers are not without a nest egg. Last year, they had interests in more than 200 trust funds, corporations, partnerships, and personal property, much of which involve their siblings, children, and grandchildren. The family has used the courts to protect their prized assets, placing the family's Placid Oil and a huge trust fund in bankruptcy proceedings.

Indonesian Says OPEC Focuses On Iraqi Quota

KUTA BEACH, Indonesia — Returning Iraq to OPEC's oil output quota system is now a top priority for the 13-member cartel after the Gulf War cease-fire, Energy Minister Giandjar Kartasasmita of Indonesia said Sunday.

After a Saturday meeting on the island of Bali between Indonesia, and non-OPEC producers Brunei and Malaysia, the three Southeast Asian nations said they expected the cease-fire to strengthen oil prices.

But Mr. Giandjar said it was crucial to persuade Iraq to accept a quota from the Organization of Petroleum Exporting Countries because while it remained outside the cartel's quota system the output of a major producer was uncontrolled.

This is top priority on the OPEC agenda," said Mr. Giandjar, one of five members on OPEC's price committee, which has the power to convene an emergency meeting of the organization. The OPEC secretary-general, Subroto, is scheduled to visit Iran and Iraq at the end of the month. Iraq has refused a quota unless it is given one equal to that allotted in Iran, currently 2.37 million barrels a day.

Mr. Giandjar said Subroto, his predecessor as energy minister, would try to get Iraq to agree to a quota. There are fears in the oil industry that both Iran and Iraq might start pumping extra oil to pay for reconstruction.

Industry sources have said Iraq is pumping close to 2.7 million barrels and could increase output to 3.8 million within 12 months. Heavy production by OPEC and non-OPEC countries has led to a glut in world supplies, which has forced prices down to \$4 below OPEC's target of \$18 a barrel.

Kastah Gadam, a minister in the Malaysian prime minister's office in charge of oil affairs, said Sunday that a non-OPEC offer to cut exports by 5 percent if the cartel did the same was still valid.

He said although some non-OPEC producers were already doing this, there should be joint action to help support prices. "Malaysia was one of six non-OPEC oil producers that offered earlier this year to cut exports by 5 percent to support the group's efforts to boost falling oil prices if the cartel reciprocated. OPEC did not match the offer."

Irving and BCI have said that IRI is not a bank holding company and not required to file a formal application with the Fed.

Advisers to Bank of New York have said they thought that the Italian agency would not want to go through the lengthy application process, which would require the disclosure of financial information. "Many foreign entities are unwilling to have any kind of disclosure," said H. Rodgin Cohen, lawyer for Bank of New York.

Robert Falise, lawyer for Irving, was surprised at the Fed's decision. "This is a dramatic reversal of Federal Reserve policy that has wide-ranging political and international trade implications," he said. The apparent extension of the Fed's reach to foreign government-controlled units was likely to generate controversy.

Europe's New Aerospace Conglomerates Are on the Rise

By Warren Getler International Herald Tribune

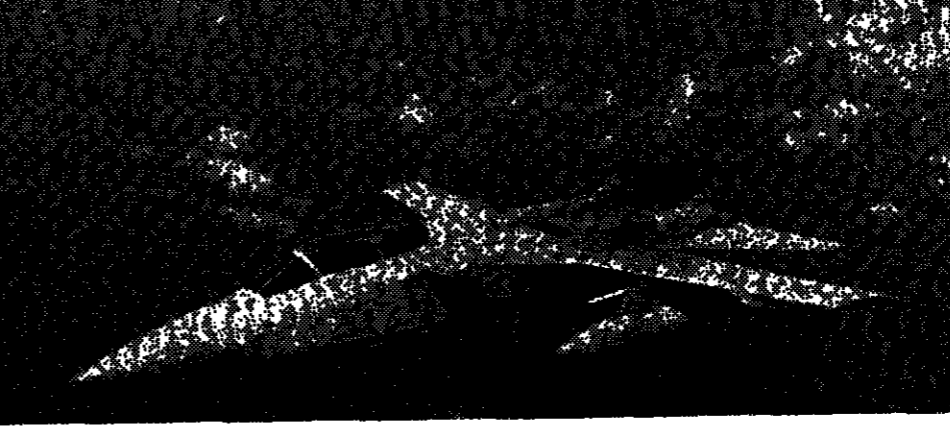
LONDON — When executives from leading U.S. aerospace companies visit the Farnborough Air Show opening Sept. 4 near here, they will find a new wealth of European power. Since the last Farnborough air show in 1986, two giant aerospace-automotive conglomerates have been formed in Europe and appear to be gaining in strength.

In Britain, British Aerospace PLC took over Royal Ordnance, the country's largest munitions manufacturer, and recently acquired Rover Group, Britain's largest automaker. In West Germany, Daimler-Benz AG, the automotive and engineering giant, is poised to take control of Messerschmitt-Bolkow-Blohm GmbH, the aerospace group and defense contractor. That followed Daimler-Benz's acquisition of AEG AG, the electronics firm; Dornier GmbH, the aircraft maker; and MTU GmbH, the engine manufacturer.

The architects of the two conglomerates are Roland Smith, chairman of BAE, and Edvard Reuter, managing board chairman of Daimler-Benz. Their vision was to group a broad range of technological expertise — from automobiles to fighter aircraft — as the best chance of survival in the market. Nick Cook, aviation editor of Jane's Defense Weekly in London, said: "What we've seen over these past few years, both in Britain and Germany, is bids by two major companies to break into a market that has been dominated by U.S. companies of colossal size and breadth. Unless you diversify, the thinking at Aerospace and Daimler goes, you're not going to make it."

Tom Brennan, director of international operations at Boeing Aerospace in Seattle, said European aerospace groups have "a lot more capability today." "Their political muscle, as well as technological capability, has grown as a result of their new size," he said. For Mr. Smith, size matters in the arms and aerospace business. Last year, the group's military-related sales reached \$4 billion. A Daimler-Benz grouping would generate sales of around 75 billion Deutsche marks (\$39.7 billion) last year, is Britain's largest exporter of manufactured goods. Last year, the group's military-related sales reached \$4 billion.

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The Tornado jet fighter, built by a consortium of British, West German and Italian companies.

stronger engineering business, with more technical resources and greater effort on R&D, allowing us to operate as a more economic unit on international markets," Mr. Smith said. "However, we are still a long way from the size of Daimler-Benz," he added. Mr. Smith, who became chairman of BAE in September, said the company was watching Daimler's moves to take control of MBB, but that he did not view the proposed grouping as a threat. He said he would see such a combination as a stronger partner, in that BAE already cooperates with MBB on Airbus civil aircraft and Tornado fighter jets.

"But we also see Daimler-MBB in terms of how much more we've got to do to be absolutely amongst the largest players," he said. "It's not that we want to ape what Daimler is doing. It's just that they've got the kind of scale that is important in the sort of technologies we are in."

"If you don't maintain that profitability, and scale and growth, then you drop out of the market," he added. "We certainly are looking for more acquisitions." The BAE-Rover group, with sales of more than \$7 billion (\$1.9 billion) last year, is Britain's largest exporter of manufactured goods. Last year, the group's military-related sales reached \$4 billion. A Daimler-Benz grouping would generate sales of around 75 billion Deutsche marks (\$39.7 billion) last year, is Britain's largest exporter of manufactured goods. Last year, the group's military-related sales reached \$4 billion.

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the International Institute for Strategic Studies in London and former vice president of Thomson CSF, the French electronics firm, said concentration of the European aerospace industry would sharpen the international edge of such companies as BAE and Daimler.

But he said that the conglomerates would prove difficult to manage, particularly Daimler. If its acquisition of MBB takes place, Daimler's product range would extend from refrigerators to anti-tank missiles. "The phenomenon of concentration does put European firms into a better competitive position against American companies," Mr. Heisbourg said.

He said this was because the groupings could mobilize more research and development funds that were formerly spread around any number of domestic companies. "Here in Britain, the creation of a dominant aerospace group took place more than 15 years ago with the establishment of BAE," he said. "In Germany, unless something unforeseen happens, we'll see Messerschmitt merge with Daimler-Dornier. In France, there are two groups remaining in aircraft manufacturing: Aerospatiale and Dassault, but I suspect that within 10 years there will be only one left."

He said that BAE's acquisition of Rover still had not made the British grouping "anywhere near as complex as Daimler-Dornier-AEG-MTU-MBB."

Britain, as part of its estimated \$30 billion arms package, said it would sell up to 48 Tornado fighter aircraft and 60 BAE Hawk trainer aircraft to Saudi Arabia. These would follow the 1985 sale of 72 Tornados. BAE builds the Tornado jet with MBB and Aerospatiale, an Italian aerospace firm. The three are also embarked on the development of the European Fighter Aircraft, due to be operational in the 1990s. François Heisbourg, director of

Currency Rates

Table with columns for Currency, Rate, and other financial data.

Last Week's Markets

Table with columns for Stock Indexes, Money Rates, and other market data.

Up Harassment, U.S. Asserts

Extensive action from New York Times

Washington Post

tribune







New International Bond Issues

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, Price end week, Terms. Includes sections for Floating Rate Notes, Fixed-Coupon, and Equity-Linked.

Official U.S. Silence on Dollar Sounds Confusing

WASHINGTON — In two months since the dollar began a rally in the currency markets, the Reagan administration has been officially silent about it. But not unofficially.

phen Marris of the Institute for International Economics. Larry Kreicher, economist at Merrill Lynch Capital Markets, said, "It's clear that currency markets are quite sensitive to whatever they perceive to be the U.S. admin-

Investors, who have been attracted to the dollar by rising U.S. interest rates, view the official silence as a sign of willingness to tolerate a stronger currency.

German Study Says Businesses More Optimistic

MUNICH — A poll among companies in 48 countries shows that the international business climate has improved since last October's market collapse, which caused no permanent problems in the world economy, the Ifo economic research institute said Sunday.

Big EC Firms Said to Back Single Currency

PARIS — More than 100 of the biggest companies in the European Community are working for the European Monetary System to accelerate use of a single currency and eradicate "monetary borders," according to Francois-Xavier Ortoli, former president of the European Commission.

It is possible that people take less interest in the European currency unit and monetary union when they have an important currency like the Deutsche mark.

The government rarely states its position on the dollar. It does not acknowledge target values for the currency. It signals in cryptic statements that beg for interpretation so that dealers scrutinize every word.

FED: Greenspan Counters Inflation 'Incrementally'

(Continued from first finance page) This point frequently, Mr. Greenspan shares the view, but has not insisted upon it in public statements. Presumably he will after the next presidential takes office.

nomment came well before 11 A.M. Despite this sort of criticism, Mr. Greenspan is drawing mostly praise for his strategy, which is aimed at slowing economic growth to what he considers a noninflationary 2 percent to 2.5 percent for the second half of this year and for all of 1989.

that conveyed, may end up causing a recession. "The Fed is clearly trying to fine-tune the economy, but it can't do this forever," said David Wyss, an economist at Data Resources Inc.

HUNTS: \$130 Million Award Ordered in Silver Case

(Continued from first finance page) ing convictions. The company had sought \$450 million. Although other suits are pending, the ruling before Judge Morris E. Lasker in U.S. District Court was the first court decision that found the Hunts responsible for wild gyrations in the price of silver in 1979 and 1980.

Co., E.F. Hutton & Co., Banque Paribas, Prudential-Bache Securities Inc., ContiCommodity Services Inc. and AML Futures.

After the verdict on Saturday, lawyers for Mimpeco said that representatives of the Hunts had offered in May to pay the Peruvian company \$20 million to settle out of court but that the offer had been refused.

Intervention Tempers Bond Gains

NEW YORK — Treasury bond prices generally posted mild gains last week, but already-slagged summer activity was further dampened by repeated selling of dollars by central banks late in the week to halt gains in the U.S. currency.

On Wednesday, the Treasury is to sell \$7.25 billion of five-year notes, an issue that was offered at 9.05 percent on Friday.

Higher West German rates might hinder further dollar appreciation against the mark. The bond market showed little reaction to the lowered estimate of the U.S. budget deficits for this fiscal year and next released late Friday by the Congressional Budget Office.

Belgium Puts Stress On Options

BRUSSELS — The Brussels Stock Exchange plans to upgrade the small Belgian options market in cooperation with the European Options Exchange in Amsterdam.

JLW Investments FOR SALE BY TENDER

Apex Tower 70 Anson Road 28 Storey office building SINGAPORE. Includes details about area available, location, and contact information for Jones Lang Wootton.

Herald Tribune advertisement featuring a photo of a man and text about a shift in policy and a shift in power.

The Inflight Newspaper is available on Lufthansa flights. As part of its inflight service, Lufthansa distributes the International Herald Tribune to its passengers on most flights.







Wall Street Review

NYSE Most Actives table with columns for Vol, High, Low, Last, Chng.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chng.

NYSE Sales table with columns for Sales Vol, Sales Val.

AMEX Sales table with columns for Sales Vol, Sales Val.

NYSE Dividends table with columns for Dividend, Yield, P/E.

AMEX Dividends table with columns for Dividend, Yield, P/E.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

NASDAQ National Market table with columns for Sales in 100s, High, Low, Close, Chng.

Polaroid Announces Wider Job Cuts

By Richard W. Stevenson. Polaroid said that it had been approached by Fortmann, Little & Co., the leveraged buyout specialist...

WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam Stock prices ended almost unchanged last week, after fluctuations during all five trading days. The ANP-CBS general index finished at 274.3 compared with 274.5 a week earlier.

Chairman Of Chevron To Retire

SAN FRANCISCO — The chairman and chief executive of Chevron Corp., George M. Keller, will step down at the end of the year, the company has announced.

London

After a sharp initial fall, Stock Exchange indices recovered steadily to close practically unchanged for the week.

Treasury Bonds

Treasury Bonds table with columns for Maturity, Close, Ask, Yield.

Chicago Exchange Options

Chicago Exchange Options table with columns for Option & price, Calls, Puts.

American Exchange Options

American Exchange Options table with columns for Option & price, Calls, Puts.

INTERNATIONAL CLASSIFIED

INTERNATIONAL CLASSIFIED advertisement with various service listings and contact information.



# MONDAY SPORTS

## SIDELINES

### Hurdler Donkova Regains Mark in 100

SOFIA (AP) — With a time of 12.21 seconds, Jordanka Donkova of Bulgaria reclaimed the women's world record in the 100-meter hurdles at a track meet here Saturday night.

The previous mark of 12.25 had been set by compatriot Zinka Zagorcheva on Aug. 8, 1987.

Donkova established three world records over the distance in a two-month span two years ago; the last, set in September 1986, stood until Zagorcheva bettered it.

### U.K. Rejects IOC's Plea to Select Coe

LONDON (AP) — British track officials "politely but firmly" have rejected a plea by Juan Antonio Samaranch, president of the International Olympic Committee, that Sebastian Coe, the two-time 1,500-meter Olympic champion, be selected to participate in the Summer Games next month in Seoul.

Samaranch's plea came in a letter to the British Amateur Athletic Board. Describing the IOC president's move as "quite extraordinary," a board spokesman, Tony Ward, said Saturday: "A letter has been sent to the president politely but firmly rejecting his suggestion."

Coe, 31, the only athlete ever to successfully defend the gold medal at 1,500 meters, failed to make the British team after a dismal performance in the country's trials two weeks ago. Coe did not make the 1,500-meter final at the trials and then skipped the 800-meter event. British officials declined to pick him as a wild-card entry, deciding instead that Peter Elliott, the world silver medalist at 800 meters and the trials winner at 1,500, would run in both events in Seoul.

### Forty Niner Takes Traversers by a Nose

SARATOGA SPRINGS, New York (UPI) — Forty Niner held off furious stretch drives by two other three-year-olds to win Saturday's Traverser Stakes at Saratoga Race Course. It was Hall of Fame trainer Woody Stephens' first victory ever in the \$1 million race.

Covering the 1 1/4-mile (2,015 meters) in 2:01.2/5 under Chris McCarron, Forty Niner was a nose in front of Seeking The Gold and three-quarters of a length better than Brian's Time.

It was Forty Niner's second straight victory by a nose over Seeking The Gold; they duelled to the wire in the July 30 Haskell Invitational, over 1 1/4 miles, at Monmouth Park in New Jersey.

### Despite Loss, Nicklaus Hits \$5 Million

CASTLE ROCK, Colorado (AP) — Jack Nicklaus became the first golfer to reach the \$5 million mark in career earnings, but a 17th-hole fiasco cost him a place in the final round of the International Golf Tournament here.

Nicklaus appeared to have a berth in the finals sewn up Saturday until he chopped up the par-five 17th, hitting two unplayable shots. Under the tournament's modified Stableford scoring system, a double bogey and anything higher costs three points. Nicklaus dropped from seven points and a berth in the 18-man final round to four points. He needed to birdie the final hole to have any chance, but limped in with a three-putt bogey that left him with three points. Nicklaus finished in a four-way tie for 34th place, worth \$5,275, which put him at the \$5 million mark.

Bruce Lietzke led the 18 qualifiers for Sunday's final round with 14 points, followed by Jodie Mudd and Ben Crenshaw with 13, and Chip Beck and Tom Kite with 11.

## Quotable

- Tennis player Chris Evert: "I'll quit when I want to quit, not when people want me to quit. You dream about holding that plate up over your head and winning a Grand Slam, or Wimbledon, being No. 1 in the world. And it's never what you think it's going to be, because it lasts about an hour." (AP)
- Jimmy Connors, on experience: "The problem is that when you get it, you're too damned old to do anything about it." (LAT)
- Former baseball manager Gene Mauch: "I miss innings one through nine, but not Cleveland or Detroit." (LAT)

# Niger's Boxers Beat the Crowd to Seoul's Olympic Hospitality

By Peter Maass  
Washington Post Service

SEOUL — The temperature inside the restaurant was almost as sizzling as the spicy kimchi side dishes on the table, but that didn't affect Niger's three Olympic boxers, the first athletes to arrive in South Korea for next month's Games.

Badje Ouenteni, Mamoudou Djingray and Mounouni Souley looked a little out of place so far from home, but the lanky Africans were feasting on the pistol-hot Korean cuisine.

Rather than losing weight by avoiding the hot food in this distant country, the boxers have put it on. Two of them are several pounds

over the limit for their weight classes. Their coach, Dodo Sanahori, was upset. After all, he didn't bring them halfway across the globe so they could be fattened up on kimchi.

That was just one sign that things are going well, perhaps too well, for the Niger boxing team, which may have set something of an Olympic record by arriving here July 4, more than two months before the opening bell. Most U.S. athletes won't be arriving here until shortly before the Games start Sept. 17. But to the Niger boxers and other Third World athletes who have come here early, South Korea is an affluent country with far better facilities than those available in their homelands.

South Korea is eager to gain international prestige from hosting the Games — it wants to win friends and be a model for developing nations.

Although in past centuries Korea was called the "Hermit Kingdom" because it had a disturbing habit of emphatically rejecting foreigners by beating them or throwing them in jail, South Korea is now going out of its way to please all comers.

The odyssey of the small boxing team from landlocked Niger provided a good example.

Sanahori, who has coached Niger's Olympic boxing teams since the 1964 Games in Tokyo, brought his youthful charges to Seoul because there's only one boxing ring

performing well by using better facilities and practicing against good South Korean boxers. But it has not been able to train with the South Korean Olympic boxers, which disappoints the Africans.

The three seem to know that their medal hopes are slim. In the 1984 Los Angeles Olympics, Niger's two boxers were eliminated in their first bouts, although in the 1972 Munich Games a boxer from Niger won a bronze medal.

"For lots of African countries, participation in the Games is symbolic," said Sanahori. "It's symbolic for us, but we're still going to try to win."

## Brazil's Basketball Team Is Aiming a Little Lower

By Richard House  
Washington Post Service

SAO PAULO — Brazilian basketball star Oscar Daniel Bezerra Schmidt is taking his team to the Seoul Olympics fully aware it has only an outside chance of repeating last year's surprise upset of the U.S. in the Pan American Games.

"We were lucky last time and took advantage of the opportunities," he said. "The American team has always been better than us," said Schmidt, 30, who last August scored 46 points against the United States. He and his team will leave this week for a round of exhibition contests in China.

Aware of international attention caused by recent victories, the Brazilian team is anxious not to become overconfident before the Games begin. Coach Art Vidal will say only that he's adopting "organized disorganization" as a key tactic.

In May, Brazil won a pre-Olympic tournament in Montevideo, the 6-foot-8, 228-pound (2.03-meter, 104.4-kilogram) Schmidt — already troubled by muscular problems in his leg — fears the opposition in Beijing could be more formidable.

He said Brazil's main competition would come from the Soviet Union and Yugoslavia, and that Brazil would be fielding a similar team to the one that won the Pan American Games gold in Indianapolis a year ago, the difference being two new younger reserves.

"Our ideal is to play very fast, with plenty of counter-attack — the same as the U.S. professionals would, though they're much better than us," said Schmidt. He said Brazil should be in the same class as Canada, Puerto Rico and Australia at Seoul as it takes its third shot at an Olympic medal.

"We must stay humble and keep training," he said, recalling Brazil's erratic performance in past major

tournaments. The team finished ninth in the 1984 Olympics and fared poorly at the 1982 world championships. But after finishing fourth in the most recent world championships and winning the gold in Indianapolis, the Brazilians have shown they cannot be discounted.

Brazil has performed well in recent games against West Germany, Puerto Rico and Mexico. Schmidt, who five years ago signed a \$1 million transfer to the Italian team Snaidero, which is based in Caserta, Italy, has become a national idol during his recent training visit to Brazil.

He has had to shrug off attempts by local media to make him a "savior of Brazilian sport."

Despite working out with the New Jersey Nets after the 1984 Games and receiving a contract offer, Schmidt remained faithful to Italian basketball and now says he would not accept offers to play in the United States. He also is unlikely to return to his native state of Rio Grande do Norte in impoverished northeastern Brazil.

Schmidt's play, which has helped make Caserta one of Europe's top teams, has been criticized for being too individualistic. Dan Peterson, an American coach, was quoted as saying Snaidero had become totally dependent on Schmidt's play.

"Oscar might have won the Pan American games single-handed but he won't be able to repeat this feat," Peterson said (this year, Caserta was eliminated from the Italian championship). Schmidt has signed a contract to play for Caserta until 1991 and believes that Brazilian basketball is suffering from economic constraints.

"There are so few players here and not enough cash to attract U.S. professionals to come here and help strengthen our game," he said.



### French Colt Mill Native Wins 'Million'

MILL NATIVE, left, under Cash Asmussen, upset a strong field in the Arlington Million Saturday at Woodbine Raceway in Toronto. The 40-to-1 shot, a French-bred 4-year-old recently bought by an American, Cornelius Ray, broke the course record of 2:01.2/5 by covering the 1 1/4-mile turf course in 2:00 for a one-length victory over Equalize, a U.S. entry. Another U.S.-bred, Sunshine Forever, was third. Asmussen had ridden Mill Native to three straight victories in France this year.

**ACROSS**

- Matures
- State in Soissons
- Separated
- Simone's husband
- In the buff
- Latin word
- Latin word
- Buses
- Spiky shrub, also called furze
- Pioneer suffragist
- A solid alcohol
- Williams's "Leave" to "Heaven"
- Phoenix neighbor
- Incendiary substance
- Jai
- Perpetually
- S. African plant
- Temperance advocate
- Take stroke
- Yorkshire river
- Uncanny
- Basque headgear
- Tour
- N.B.A. figure
- Kind of light used in a theater
- Dress-reform feminist
- Cambio fabric
- Key letter
- Type of acid
- Britain's Anthony "Plemy o' Nuttin"
- Dey or czar
- Carnelian's kin
- One-billionth: Comb. form
- DOWN
- Accumulate
- Entire range
- Undo
- Shankar's instrument
- Make possible
- Saxhorn
- Capital of South Yemen
- Bicuspid's, e.g.
- Can, goat or rabbit
- Pasant
- Askew
- Patriotic org. adjudicata

**WEATHER**

EUROPE				ASIA				NORTH AMERICA			
High	Low	Cloud	Wind	High	Low	Cloud	Wind	High	Low	Cloud	Wind
Algeria	27	18	bc	Bangkok	32	24	bc	Anchorage	57	47	bc
Amsterdam	18	14	bc	Beijing	30	22	bc	Albany	57	47	bc
Athens	22	14	bc	Hong Kong	30	22	bc	Chicago	57	47	bc
Berlin	18	14	bc	Mumbai	30	22	bc	Denver	57	47	bc
Brussels	17	13	bc	New Delhi	30	22	bc	Detroit	57	47	bc
Butte	17	13	bc	Seoul	30	22	bc	Honolulu	57	47	bc
Calcutta	29	21	bc	Singapore	30	22	bc	Los Angeles	57	47	bc
Cardiff	17	13	bc	Tokyo	30	22	bc	Miami	57	47	bc
Cebu	30	22	bc					Minneapolis	57	47	bc
Dallas	17	13	bc					Montreal	57	47	bc
Dublin	17	13	bc					New York	57	47	bc
Edinburgh	17	13	bc					San Francisco	57	47	bc
Geneva	17	13	bc					Toronto	57	47	bc
Hamburg	17	13	bc					Washington	57	47	bc
Helsinki	17	13	bc								
London	17	13	bc								
Los Angeles	57	47	bc								
Madrid	17	13	bc								
Moscow	17	13	bc								
Munich	17	13	bc								
Nairobi	17	13	bc								
Paris	17	13	bc								
Prague	17	13	bc								
Reykjavik	17	13	bc								
Stockholm	17	13	bc								
Vienna	17	13	bc								
Warsaw	17	13	bc								
Zurich	17	13	bc								

**AFRICA**

Algeria	27	18	bc
Cairo	27	18	bc
Cape Town	27	18	bc
Harare	27	18	bc
Johannesburg	27	18	bc
Nairobi	27	18	bc
Tunis	27	18	bc

**LATIN AMERICA**

Buenos Aires	57	47	bc
Caracas	57	47	bc
Harare	57	47	bc
Lima	57	47	bc
Mexico City	57	47	bc
Rio de Janeiro	57	47	bc

**MIDDLE EAST**

Amman	57	47	bc
Beirut	57	47	bc
Cairo	57	47	bc
Damascus	57	47	bc
Istanbul	57	47	bc
Jerusalem	57	47	bc
Tel Aviv	57	47	bc

**MONDAY'S FORECAST** — CHAMPELL: Slight. FRANKFURT: Showers. LONDON: Partly cloudy. MADRID: Partly cloudy. NEW YORK: Partly cloudy. PARIS: Partly cloudy. TOKYO: Partly cloudy. WASHINGTON: Partly cloudy. WASHINGTON: Partly cloudy. WASHINGTON: Partly cloudy.

**DENNIS THE MENACE**

**JUMBLE**

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

LARG

NOPER

KIELLY

DEGURT

Opportunity knocked, but he was asleep.

A BU Y HAS THE RIGHT AIM IN LIFE SOMETIMES FAILS TO DO THIS, FIGURATIVELY.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: THE ARCH ENEMY

**PEANUTS**

**BLONDIE**

**BEEBLE BAILEY**

**ANDY CAPP**

**WIZARD OF ID**

**REX MORGAN**

**GARFIELD**

**Solution to Friday's Puzzle**

BASSI	ARIEL	BANTER	OS
VITALS	SHOES	SHOES	OS
HIGHBUTTS	HATE	NAW	OS
ARDOUR	HATE	NAW	OS
DIES	FUR	TWICE	OS
ELA	ELANDS	ANTA	OS
MEL	CORD	ARREST	OS
THE	MEDIUM	OS	OS
CURTOS	RING	OSA	OS
OPEN	SABOTS	CID	OS
ETTAS	TIS	LENO	OS
DOR	AMOR	DEALER	OS
SWEET	LOWDOWN	OS	OS
NATURE	SLEETY	OS	OS
TAPED	TERNS	OS	OS

**DOONESBURY**

**Garfield**

**Tigers B**

**WADAY BASEBALL**

**Kimball V**

**BENGALS AMBUSH**

**back Chuck Long twice**







